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ABSTRACT

This issues primer is structured around a series of 20 contemporary concerns in the changing world of work and training in Australia in the early 1990s. It is part of the study materials for the one-semester distance education unit, Negotiated Study Program, in the Open Campus Program at Deakin University (Australia). Information on each issue is accompanied by an activity and list of references. The issues are as follows: the politics of workplace reform; education back on the agenda; relevant government reports in the 1980s; award restructuring; skill formation and ideology; the Training Guarantee Levy--a tax or an investment?; cost of training--public vs. private; commercialization of training--those who pay the piper play the tune; relevant government reports in the 1990s; competency-based training; recognition of prior learning; management upskilling; performance appraisal; changing work force patterns; technology, communication, and training; enterprise bargaining and flexible work practices; recession, redundancies, and unemployment; women and training; youth and employment; and jobs in the future. (YLB)

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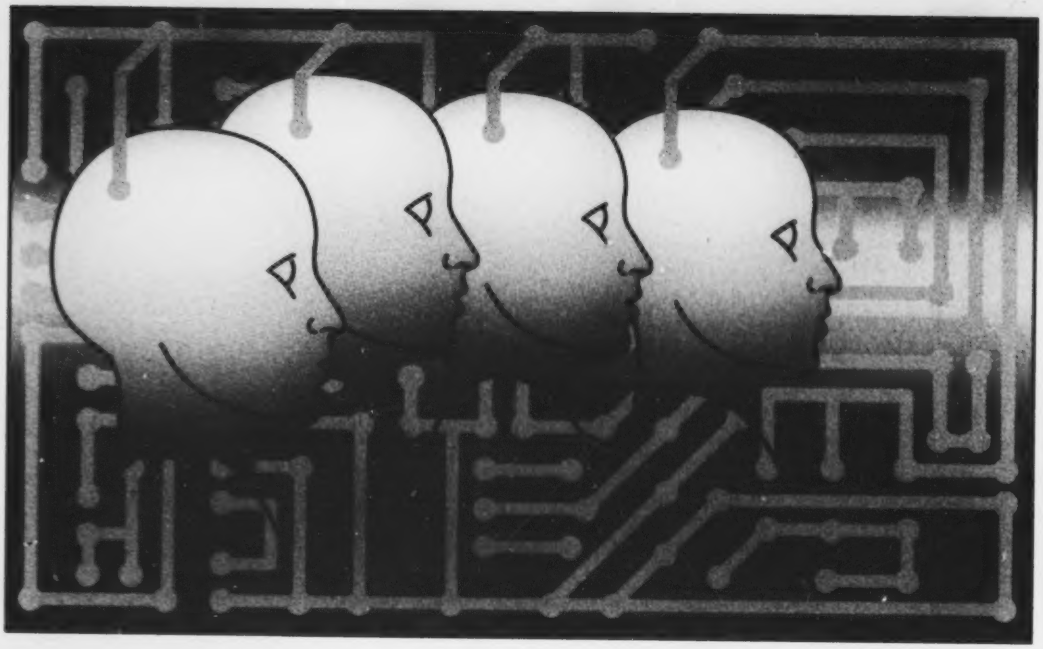

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EEE708 NEGOTIATED STUDY PROGRAM

ISSUES PRIMER

LEONIE JENNINGS

This book has been produced as part of the study materials for EEE708 *Negotiated Study Program*, which is one of the units offered by the Faculty of Education in Deakin University's Open Campus Program. It has been prepared for the unit team, whose members are:
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Series introduction

The nature and purpose of education in the workplace has been the subject of much debate in Australia in recent years. While the vagaries of local and international competition have led many firms to reconsider the role of their workforce and the training requirements this entails, governments have been equally keen to adapt existing education systems to the perceived needs of industry. Leading union bodies have been distinguished in this debate by their pro-active role, outlining the path by which a reconstructed industrial climate can win the nation a new place in the world economy.

The study materials of which this volume is a part explore the approaches to learning currently modeled within industry. In the process the question inevitably arises as to whether existing orientations and practices are in the best interests of the various stakeholders in the workplace.

The arguments developed in these volumes address themselves to a range of contemporary issues in industrial education. To date, prevailing approaches have rested upon narrow, instrumentalist notions of learning; in their different ways, the writers have set out to challenge this orthodoxy. In doing so, they highlight the silences—on questions of gender, class or ethnicity—that underpin the behavourist outlook still dominant in the world of training.

In preparing these study materials, the course team has sought to address issues that are of fundamental concern to those involved in the complex and demanding field of workplace learning. It is hoped that, in its own modest way, the pedagogy we have developed can serve to exemplify a different notion of what industrial education might become.

Introduction

An introduction to the socio-political context of training

This issues primer has been structured around a series of contemporary concerns in the changing world of work and training in Australia in the early 1990s.

An issues primer such as this cannot remain current for very long—the scene appears to be changing daily. This primer reflects the state of play of a smorgasbord of training issues still pertinent in June 1992.

Twenty issues have been identified as an appropriate starting point to help you commence thinking and researching into current issues in the world of work and training. As you work through each issue consider them in the context of your own workplace.

Objectives of the issues primer

It is expected that, as a result of engaging with the ideas developed in the primer, you will be able:

1. to increase your current understanding of recent changes within the workplace reform agenda and the industry setting in which you work as a trainer;
2. to respond to ideas presented and, in turn, write coherently about workplace issues; and
3. to assess critically the political agendas of the major stakeholders in the workplace reform arena.

ISSUE 1
The politics of workplace reform

In recent years the Australian economy has attempted to come to terms with a rapidly changing world economy. Since Federation Australia has relied on the export of primary products as well as protectionist policies. The Australian manufacturing industry has experienced years of neglect and decline and has not been able to meet the demand for goods. This shortfall has been met by imports. Because Australian industry has not provided a sufficient number of exports to cover imports, Australia has experienced a balance of payments crisis coupled with an unfavourable terms of trade. A huge foreign debt of the magnitude of over 40% of our gross domestic product has emerged. In the last year there has been a shift in the trade figures where there has been a surplus on the balance of trade. However, this is deceiving. The balance of payments includes the cost of servicing the past debts and this will remain a problem for years to come.

These difficulties have provided an impetus for a re-examination of how industry might perform better. Most economic proposals have focused upon increasing the level of exports while at the same time reducing the level of imports. The driving force behind the thinking is that of economic rationalism.

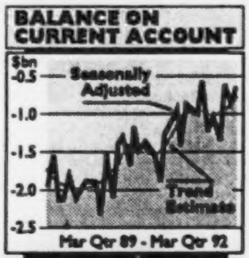
The industry restructuring process, which is already under way, is part of a wider 'enterprise' restructuring which involves major industry changes in the areas of strategic direction, the corporate culture, revitalised management structures, production technology and new forms of work organisation. Hence a new challenge of restructuring the Australian workforce is currently high on the political agenda.

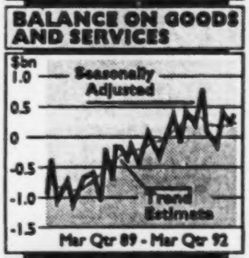
The first stage of 'restructuring', begun in 1987, was mainly aimed at the wage system. It provided 'second-tier' short-run wage rise trade-offs for ad hoc changes. As the restructuring process has developed the emphasis is now towards long-run changes to the whole award system so as to achieve much greater overall 'structural efficiency'.

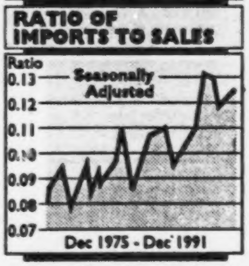
The current Australian government has decided that industry needs a highly skilled workforce, not only possessing the skills currently required by employers, but also capable of responding quickly to the demands created by technological and structural change. In order to achieve such a workforce Australia would require a more efficient and responsive education and training system, more attuned to the needs of industry. This view is also supported by the union movement.

Trade rides high on export boom

By PAUL CLEARY


BALANCE ON CURRENT ACCOUNT


BALANCE ON GOODS AND SERVICES


RATIO OF IMPORTS TO SALES

CANBERRA: Australia has recorded its best trade performance in nearly 20 years, a result driven by a remarkable export performance.

Balance of payments figures released yesterday by the Bureau of Statistics showed the 14th consecutive surplus on Australia's trade account – the balance between imports and exports.

The release also shows that Australia ran a surplus on trade in goods and services of $343 million after seasonal adjustment – the 10th surplus in the past 12 months.

The surplus on goods and services is encouraging because it means the country did not add to foreign debt from trade.

It paid for all the goods and services consumed in each of these 10 months.

On a quarterly basis, the bureau's figures show that Australia has run a surplus in each of the last four quarters, and a fifth surplus is expected when the March trade figures are released next month.

Bureau figures show that Australia has not performed this well since the early 1970s – there has not been a longer stretch of goods and services surpluses since the period between June 1971 and December 1973.

The fallout from Japan, as shown by yesterday's dramatic 4 per cent drop in the Nikkei, may affect Australia's trade if it leads to slower world growth and lower commodity prices.

However, the committee of officials that prepares economic forecasts met yesterday for its quarterly review following the release of December quarter national accounts figures.

The Joint Economic Forecasting Group largely confirmed the most recent forecasts which show a reasonably strong recovery beginning this year.

The current account for February was in deficit by $667 million after seasonal adjustment, largely because Australia paid $1.2 billion in income to overseas lenders and investors.

The deficit in the income account reflects the cost of servicing the existing stock of foreign debt and foreign investment.

The February deficit is one of a string of monthly deficits well below $1 billion. The bureau's trend series, which smoothes the monthly numbers, is now running at about $800 million a month.

The total deficit for the eight months to February is just $8 billion, a 34 per cent improvement on the previous year.

The surplus on merchandise trade for the same period is $2.5 billion, up from a surplus of $77 million on 1990-91.

The deficit for this year may be less than $12 billion, about 3 per cent of gross domestic product and well below the recent forecast of 3.75 per cent.

This level is half the size recorded at the height of the boom of the late 1980s, and it means that foreign debt as a percentage of GDP will have stabilised.

The biggest export gains have been in wool, up $776 million or 44 per cent in the past eight months; general manufactured goods, up $567 million or 20 per cent; and coal, up $557 million or 14 per cent.

The Opposition Leader, Dr Hewson, released a six-page press statement last night which cast doubt on the ability of Australia to sustain this export performance.

He said the annual trend growth in exports had fallen to just 4 per cent, a fall that preceded the expected slowdown in Japan.

The Treasurer, Mr Dawkins, argued that the performance was not simply a result of the recession.

"We can now confidently say that this is a better trade performance not because of the recession but rather because of the structural improvement which is occurring in the economy," he told Parliament.

As shown by the accompanying graphic, the current account deficit has continued to improve despite the fact that imports have remained at high levels.

What has made the difference is the unrelenting rise in exports. The outcome of this is shown by the steady rise in the balance on goods and services.

It is argued that some of this increase is because many companies are selling at a loss due to the weak domestic economy.

The Treasury is understood to have advised that some of these gains will be lost during the recovery.

The Treasury argues that the increase in exports is part of the trend towards higher trade levels that began before the recession.

Since 1983, exports as a percentage of GDP have risen by a third to 20 per cent, while manufactured goods have risen 50 per cent to total 15 per cent of exports.

(Source: *Sydney Morning Herald* 2 Apr. 1992, p. 1)

Different skill levels are required for the performance of work in industry. Consequently, there must be properly designed and accredited skill training processes. Indeed, ongoing training and retraining systems are essential to support the effective implementation of the structural efficiency principle and its aim of ensuring that 'work classifications and functions and the basic work patterns and arrangements in an industry meet the competitive requirements of. . . industry'. (Carmichael 1989, p. 3)

Implicit in the government call for a growth in skill training was a public appeal to employers that they themselves would have to provide their workers with the more specific skills that were required. As well, the government argued that industry should bear the primary responsibility for adult vocational training and retraining.

In May 1990, a Conference of Commonwealth and State Labour Ministers established a committee (the Deveson Committee) to identify government funding needs for training. The committee's brief included an instruction to review the balance of provision between public and private providers. This review planned to focus upon:

> ... increased efficiency and flexibility in the public training sector, increased co-operation/joint activities between the public training sector and industry, expansion of industry's direct training effort, and contributions by individuals and industry toward public sector training costs through fees and charges.
>
> (Deveson Report 1990, p. 1)

It is important to recognise that Australia is not alone in its determination to reform education so as to meet the needs of the economy. A similar need has been recognised in Britain, Western Europe, Singapore, Japan, Korea and other industrial nations.

ACTIVITY 1

Why is there a tension between the need to implement workplace reforms within existing structures and the need to change the structures themselves?

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ISSUE 2
Education back on the agenda

The debate has now emerged in Australia on the question of whether education and training can ever help to redress the economic ills. It is relatively easy and straightforward to find relationships between education and wage levels but to argue that there is a link between education and productivity is slightly spurious to say the least. However,

> ...there are now enormous expectations placed on education. Since the 1950s education has been sold as a source of higher wages and better careers for those students (mainly from middle class backgrounds) who have finished secondary school, gone on to higher education and entered the professions. Now it is to be sold as a source of higher wages and better careers for *everyone*, though in the form of industry training as much as higher education.
>
> (Marginson 1990, p. 31)

In Australia, as in many other countries, the belief in the relationship between education and economic growth has constantly waxed and waned. The 1960s and 1970s represented a period of optimism when the community saw economic benefits flowing from an investment in human capital. But this gave way to scepticism and disillusionment when the massive increase in education spending during that period was followed by the sluggish economic growth of the late 1970s and early 1980s. As a result, education spending was given a lower priority.

But the pendulum has swung back as identified by Marginson (1990, p. 30):

> ... 'human capital has become even more important in recent years', meaning that improving the quality of labour—rather than, say, capital investment, long term planning, or product development—is seen as the key to export growth and international competitiveness.

This belief in human capital theory derives mainly from the work of Denison (1969) who argued that a strong relationship existed between the acquisition of knowledge and economic growth. Human capital theory has enjoyed renewed prominence through its propagation by leading American economist Milton Friedman and has provided the theoretical arguments for increased funding in education.

NEWSBREAK

Human capital policy demands a high price

Comment

By SUSAN DONATH

THE conventional wisdom of our policy-makers, including the Minister for Education, Mr Dawkins, is that increased participation in higher education produces a better educated, more highly skilled, adaptable workforce; a workforce capable of dealing effectively with technological change.

The theory is that, in turn, this leads to higher productivity and hence promotes economic growth. It is vital that Australia expands its higher education sector because we now lag behind comparable overseas countries.

This forms the justification for the present expansion of higher education in Australia. Underlying these ideas is the economic theory of human capital, according to which human beings, just like factories, machines or roads, are capital assets able to be used in the production of goods and services.

Expenditure on areas such as health care or education can be expected to improve the productive capacity of human capital and hence such expenditure can be regarded as investment. Many will regard this as an appallingly instrumental view of human beings and the theory has been disputed by some economists.

In a recent article titled Challenging the Human Capital Orthodoxy: the Education-Productivity Link Re-examined (Economic Record 1/12/90), Monash University economist Leo Maglen reviews the empirical evidence of links between education and productivity.

He concludes that "in the mountain of literature – official, academic and otherwise – that the human capital orthodoxy has generated, surprisingly little has been to do with gathering concrete evidence of the contribution of education to economic growth, and even what there is available is somewhat inconclusive".

The international comparisons of some educational performance indicators quoted by Maglen are particularly interesting. In 1981 the proportion of the Australian labour force qualified to first degree level was 8 per cent compared with West Germany, also 8 per cent, the United Kingdom at 7 per cent, Japan 13 per cent and the United States 19 per cent.

In Australia the number of first degrees and postgraduate degrees awarded per million of population in 1982 were 2550 and 848 respectively, compared with West Germany at 1200 and 260, the UK 2000 and 380, Japan 3250 and 170, and the US 4700 and 1700.

Looking at average annual rates of growth in real gross domestic product per person employed (OECD Economic Outlook: Historical Statistics 1960-1986) we find: 1960-68 – Australia 1.8 per cent a year, West Germany 3.2 per cent, the UK 2.2 per cent, Japan 5.5 per cent and the US 1.2 per cent. From 1979-86 – Australia 1.7 per cent, West Germany 1.5 per cent, the UK 1.9 per cent, Japan 2.8 per cent and the US 0.9 per cent.

From these figures we see that in spite of the US being far ahead on these and other educational indicators, its labour productivity growth over the past three decades was even lower than Australia's.

Magien says: "West Germany, which clearly over the period out-performed both Australia and the US, has had a much lower output of graduates and postgraduates per head of population than either of them. Not even Japan has been able to match the US on most educational counts, and, indeed, has even scored lower than Australia on one or two indicators."

Why are our national higher education policies so firmly based on human capital theory given the equivocal empirical evidence for it? One answer is that the theory fits neatly with neo-classical economic theory; economic rationalists, who are ideologically committed to free markets as the solution to all economic problems, use neo-classical economics as their theoretical framework.

Economists dispute theory

The essence of the free market position, dating back to Adam Smith in the 18th century, is that individuals freely pursuing their own economic self-interests will, through competition with each other, collectively produce the most efficient allocation of a society's resources.

Neo-classical theory recognises that under certain circumstances free markets will not result in optimal resource allocation. This can happen when a transaction between two economic agents adversely affects others, for example, when air pollution from a factory affects people other than the factory owner and the factory's customers.

In Social Limits to Growth, Fred Hirsch describes how a subtler form of market failure occurs in education. People who possess relatively high educational qualifications are seen to enjoy attractive professional and social opportunities, superior jobs and high incomes.

It is therefore rational for an individual to want to acquire such qualifications. If enough educational facilities are available, the proportion of the workforce with those qualifications will increase. The demand for superior jobs will rise but the supply will not because only a limited proportion of jobs can offer much higher than average income, high status and the opportunity to exercise leadership and authority.

Individuals aspiring to such positions will find that they now require more qualifications to obtain them. Thus, there is an "inflation" of educational credentials. Jobs which previously required only secondary schooling come to require a degree or diploma; those previously requiring a degree now require a postgraduate qualification.

Education, then, has two economic functions. One, as identified by human capital theory, is to impart knowledge and skills; education's other function is to act as a screening device or filter.

With continued economic growth more of people's basic material needs are satisfied, so the desire for more satisfying jobs can be expected to increase.

The screening function of education is therefore likely to become even more pronounced. What are the costs associated with an increase in the filtering role of tertiary education? First, there is the waste of resources which are diverted from productive uses to fund what is essentially a job-allocation process.

Second, there is the social waste which results from the disappointed expectations of individuals and from the frustration they experience.

In the article referred to above, Maglen discusses a series of detailed occupational studies comparing Britain, Germany, Japan and France. These studies do find some link between productivity and education. They suggest, however, that investment designed to "build up the quality of education in the core subjects (mathematics, science, languages) at the primary and secondary levels, coupled with well-developed programs of employment-based training, are likely to yield better returns to society than those aimed at increasing the number of graduates".

Economic benefits should not be the only criterion when considering higher education. The personal benefits students gain through being introduced to the cultural riches of our society and the intellectual excitement that comes from being part of a community of scholars are very important. These less tangible benefits, however, are now under threat with over-crowded lectures and practical classes, ever decreasing contact between students and staff, and the insistence that education is just another commodity to be packaged and sold as profitably as possible.

It will be tragic if a blinkered ideological commitment to economic rationalism prevents Australian policy-makers from considering the objective evidence against a massive extra investment in higher education, and leads to a higher education system where, in the pursuit of doubtful economic benefits, the non-economic benefits of tertiary education are severely devalued.

● Susan Donath is a Research Fellow in the Department of Economics at the University of Melbourne.

(Source: *Australian* 20 Mar. 1991, p. 14)

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Human capital theory argues that education directly and specifically contributes to economic growth and that this contribution is measurable. It sees education as investment by individuals in their own future earnings. This investment has a specific and calculable rate of return and is interchangeable with other investments.

Human capital theory is problematic. Education cannot itself create productivity because productivity depends not on the intrinsic human capital embedded in individuals, but on the concrete use to which their skills are put. In economic terms, productivity is determined by the factors of production: the mix between land, labour, capital and enterprise. The potential of skill formation in the new economic order contributes only to educated labour and not necessarily to the other factors of production.

Because the pendulum is swinging back the politicians are once again showing interest in education and its role in economic growth. This can be evidenced by the Hawke years when the Federal Government increased its emphasis on education and training, as reflected in the combined portfolios of education, employment and training. This shift constituted a classic instrumentalist view of the role of education. That is, education began to be seen merely as a means to an end. The argument goes something like this: through education we will produce a more highly skilled workforce, which will help to redress the economic malaise.

Opponents of this view argue that education should be viewed as an end in itself, not as a means to an end. This is the cultural view of education. The debate between the instrumentalist view and the cultural view has raged in educational circles for decades.

Some might argue that this revived emphasis on the value of education is in response to a disillusionment with other macro-economic policies. It appears that conventional means of manipulating demand have proven to be inadequate in dealing with Australia's economic woes. As a result, there has been a shift in thinking which suggests that an emphasis on human rather than natural resources will provide the lift in export income which is needed to sustain growth and living standards.

Productivity of Australian industry has been persistently low by international standards due to inappropriate management and work practices and the low skill base of the Australian economy. The *Australia Reconstructed* report argued:

> The most striking aspect of active labour market policies is the emphasis placed on skill formation, skill enhancement, skill flexibility and overall training.
> (Department of Trade 1987, p. 107)

It has been argued in business that there is a close correlation between well-structured training programs and the company profitability. Additionally it can be shown that profitable businesses generally have training programs which are closely linked to the strategic developments of their organisation. Appropriate training can contribute to a revenue earning asset in the form of more productive staff or higher labour productivity.

Australia will need to devote more resources to education and training, including greater resource allocation to forms of formal education provided by public institutions. But currently it does not appear to be so willing to increase significantly public expenditure on education. The extra resources will probably have to come from employers and the people who receive the education under a user-pays system. There is a need to ensure that sufficient effort and resources will be given to the training enterprise.

A further problem is that although micro-reforms (through such initiatives as award restructuring) are likely to bring about improved training efforts, it is impossible to judge whether such reforms will be adequate or will occur quickly enough to address Australia's external debt and trade problems.

There is also the question of the actual value of some retraining programs which are designed to upgrade skills. 'Skill streaming' is easy to promise but much harder to deliver, particular if our training institutions lack the latest resources and technology. In Germany and Japan, for example, there is much more emphasis on in-house or on-the-job training. Both forms of training use the latest equipment and turn out employees with the precise skills needed by the enterprise.

ACTIVITY 2

Discuss an example in your workplace of how an increase in education and training has not necessarily led to an increase in productivity.

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ISSUE 3

Relevant government reports in the 1980s

Report 1—*Australia Reconstructed*

The extent to which Australian unions have become concerned about Australia's economic malaise can be most dramatically illustrated by the 1987 report, *Australia Reconstructed*. It was probably the most important document on the Australian economy ever to have emerged from the trade union movement. It reported on the joint ACTU/Trade Development Council Mission to Sweden, Norway, West Germany, Austria and Britain and was designed to give officials an appreciation of the way in which other countries came to terms with balance of payments problems similar to those in Australia. The ACTU report represented the broad economic policy direction that the union movement wanted the government to take over the ensuing five years to restructure the economy in response to the trade crisis.

The report argued that the best approach to solving the trade crisis without high unemployment and low economic growth was through a tripartite system of negotiation. The tripartism identified in the report includes unions, employers, education and training institutions, those who administer employment and training programs, and community and social welfare groups.

It is interesting to note that the government has ignored the report's emphasis of the community sector's involvement in education and training:

> In Sweden (the model for the approach to training in the report) training is conceived within the context of a major emphasis on placement in employment. In Australia recently we have seen the extraordinary spectacle of increased education and training expenditure being convincingly outstripped by cuts to labour market programs.
>
> (Farrar 1987, p. 10)

Some of the key recommendations of the report include:

- a National Development Fund for investment in new industrial capacity and low-cost housing;
- the maintenance of a centralised wage fixing system;

- wage increases to be linked to international competitiveness;
- tougher controls on prices;
- labour market programs directed toward improving retraining and work skills; and
- a tax on employers to be paid into a National Employment and Training Fund to enhance workforce skills.

Report 2—*Skills for Australia*

The call for a renewed 'skilling' became evident in the Federal Government's policy document, *Skills for Australia* (Dawkins & Holding 1987). As the document indicates, the Federal Government is intent on carrying out two agendas. Firstly, it is seeking to lift the general level of skills in the labour force and this action is based on an assumption that a more educated labour force will be more flexible and more responsive to technological change. This view is derived from neoclassical economic theory which argues that educated workers adapt more easily to technological change.

Secondly, the Government wants to create new high-skill export industries in an attempt to move Australia from a reliance on primary industry to the manufacturing and service sector.

A question can be raised as to whether the report reflected business interests at the expense of inputs from educational bodies. In the paper, two courses of action were identified to increase the quality and quantity of Australia's exports:

1. short-term strategy—acquire new and better technology; and
2. long-term strategy—keep the labour force flexible and able to adapt to economic developments.

The steps involved in applying these strategies were to:

- improve skills in this country—as a pledge of our faith in the nation's productive capacity;
- produce goods and services in more flexible ways;
- produce multi-skilled labour—not set in narrow job categories but able to understand technology in a particular industry and to work as a team;
- give priority to basic education and skills which determine competence at work; and
- examine all aspects of education and training to increase the level of new skills.

To achieve these aims, *Skills for Australia* looked at the following aspects of education and training:

- increased participation in education programs;
- differences in the quality and structure of education;

- the different groups involved;
- the role of industry;
- increased efficiency of education and training;
- disadvantaged groups; and
- programs and funding arrangements.

In the report, Dawkins argues that improved skills will provide us with ways of managing the changes that are upon us. Skills will improve productivity and attract investment in their own right. He argues for broad-based flexible skills rather than narrow ones so as to enable individuals to adapt to change, upgrade what they already know and equip them for an ever changing technology.

Some problems emerge from the report:

- Will industry supply broad-based skills?
- Will industry supply trainers with broad-based training, or experts who are expert in narrow fields?
- Who will place broad-based skills in the context of the whole industrial field?
- Who will be responsible for the accreditation of industry training courses?
- How can the output of industry-based training be evaluated?
- Who will be responsible for skilling those not in the workforce?
- In times of recession is it feasible to expect industry to take on a greater share?
- How can we ensure quality control in industry training?

ACTIVITY 3

Conduct an interview with a union official (e.g. shop steward or branch secretary) to determine if government mandates through major reports have filtered down to the shop floor. Write up a short report.

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ISSUE 4

Award restructuring

Award restructuring became a reality in the metal trades industry on 20 March 1990, four days prior to a federal election. The purpose of award restructuring in the new reform package involves, where possible, a reduction in the number of classifications in an award as well as providing for clearly defined skill levels, broadbanding of functions and multi-skilling. It aims to construct a grid linking education and training, work classification, rates of pay and productivity and incorporate individual incentives for improvements in education and training.

The rationale for award restructuring is based upon a number of major difficulties which have arisen within the workplace and the industrial system. Some of these difficulties include the following:

- Many industries have been characterised by work roles defined in exclusive, closed-shop categories. Jobs have been defined on the premise of a worker training for and occupying one job for his or her whole working life. Barriers have existed, both horizontally and vertically, between job categories. This has prevented workers from improving themselves. For example, in the past it has been difficult for a low-skilled process worker to acquire a skilled trade qualification or for a tradesperson to become a technician or professional.
- In contrast, in some industries there has been no formal skilled worker category. In these situations, whether you have just commenced work (for example as a machinist) or have twenty years of experience and are multi-skilled on a wide range of machines, you are paid the same wage and have the same promotion opportunities.
- The Commonwealth/State industrial structure is two-tiered. This means that a large number of tribunals make decisions which are inconsistent in the way they deal with similar disputes.
- The award system is archaic and cumbersome at both levels. In many cases both unions and employers can find themselves dealing with awards which fall under both State and Commonwealth jurisdiction. Additionally these awards can cover single enterprises, a number of enterprises, whole industries, or even a range of firms in a variety of different industries. This has resulted in a host of other problems.

The changes to industrial awards are designed to rearrange work classifications in a hierarchy of skills; the higher the education of the worker, the higher the classification and the higher the level of pay. As well, work classifications are being arranged horizontally through broadbanding and multi-skilling. These broader classifications of skills will attempt to synthesise the discrete highly specialised trade classifications which operated in the past. For example, in the metal trades, the award now recognises eight broad skill categories.

Workers covered by awards are thus being offered identifiable career paths, provided that opportunities exist for training and retraining allowing employees to increase their level of skills and to move up the industrial hierarchy.

Concerns have been expressed that the award restructuring process has concentrated on the major awards covering those industries where union influence is the strongest. This reflects a top-down model and could result in smaller industries achieving very little or, at the least, lagging behind larger industries. The skills of higher educated trained workers will not be as closely regulated as those of the traditional blue collar workers and the lower-paid white collar workers. As well, the restructuring of awards will still leave unchanged the self-employed professional occupations.

Award restructuring has the following aims:

- increased employee productivity;
- encouragement of employees to increase their skills and acquire new skills;
- the streaming of awards by reducing the number of job classifications—broadbanding—thus producing greater job flexibility; and
- encouragement of 'multi-skilling' more suitable to late-twentieth-century technology than to the nineteenth-century arrangements on which many of the awards rest.

It is anticipated that award restructuring will result in the following forms of labour market flexibility (despite the problem that they cannot be adequately measured):

- numerical flexibility—the ability of firms to change the number of persons employed and/or the mix of full-time and part-time employees;
- wage flexibility—the ability of employers to adjust wages to changes in profits, output and productivity;
- time flexibility—the ability of employers to make more flexible arrangements regardless of working hours, shift work, overtime and starting and ending periods;
- functional flexibility—job rotation, multi-skilling and grouping of tasks and less demarcation between jobs; and
- procedural flexibility—the degree to which consultation procedures assist the firm to reorganise its operations in the face of changes to its economic environment.

ACTIVITY 4

Consider that in occupations with a higher level of status and pay there are higher levels of autonomy but the classification of skill and function tends to be more ambiguous. Discuss how award restructuring can result in concerns about equality, equity and justice.

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ISSUE 5

Skill formation and ideology

From the government report, *Skills for Australia*, it became very apparent to the government that there were significant rigidities in the labour market. For example, despite an unemployment rate of around 8% there were shortages of skilled workers which created production bottlenecks. The unemployed and the new entrants to the workforce were not being trained to eliminate these skill shortages.

However, there is also plenty of evidence to suggest that the existing skills of the workforce are not being effectively utilised. In the last twenty years, the proportion of the workforce holding post-school qualifications has risen from 24.6% in 1969 to 49.6% in 1989. The proportion holding degrees has risen from 3.2% to 11.2% in the same period. However, the number of jobs in the middle and upper professions has not expanded at the same rate. Basically, in most workplaces work has not changed to match the more educated workforce.

The skill formation agenda is based on an assumption that Australia is experiencing a shortage of skills. However, in most areas of work, the opposite may be the case. With the exception of a number of areas where demand for skills is rapidly expanding, for example in computers, accountancy, and electrical engineering, the main problem is not one of supply. The problem is one of inadequate demand for skilled labour.

Two issues emerge here. Firstly, Australian industry (as presently constituted) does not require more highly skilled labour. This is the fallacy of 'Say's Law' which states that supply creates its own demand. This approach focuses only on the supply side and fails to examine the demand. Secondly, there is currently an under-utilisation of labour within industry. Laurie Carmichael has identified this issue by arguing that it is not training *per se* but what actually happens in the workplace that counts. What is required, he argues, is a shift from outmoded Tayloristic forms of work organisation. He suggests a changing pattern of work organisation that is reliant on multi-skilling and is less hierarchical (Carmichael 1989).

This concept is an egalitarian one and can create the potential for work that is more complex, collective and productive. However, the Carmichael proposition fails to address the gender issue that remains enigmatic in any discussion on the nature of skill and its formation. Skill is an ideological category imposed on certain types of work by virtue of the sex and power of workers who perform it.

To date, women have been overlooked from the workplace reform agenda. For many women, award restructuring is a boy's game, tailor-made for the metal industry, building, warehousing and timber—industries which represent a male-dominated sector imposed on the whole workforce. Many critics have questioned the relevance of models such as that of the metal industry for women's industries especially in the service, community and public sectors.

Sex-stereotyping of jobs has been the handmaiden of Taylorism (a job broken into its component tasks, each of which is performed by a different person, e.g. car assembly line).

> women sew what men design and cut out; women serve what men cook; women run machines which men service; and so on and on . . . Everywhere we turn, we see a clear distinction between 'men's work' and 'women's work', with women's work almost invariably characterized by lower pay, lack of craft traditions, weak union organization, and—above all—unskilled status. Wherever women workers are, whatever jobs they do, they nearly always find themselves occupying the lowest rung on the skill ladder, earning wages which are commensurate, it is claimed, with the low level of training, ability or concentration required for the job.
>
> (Phillips & Taylor 1980, p. 79)

The above quote highlights the problem that skill definitions are saturated with sexual bias. Skill is a 'constructed' category. In Australia, skill at work has been defined in terms of traditionally male occupations. A considerable literature now exists which explores the argument that the idea of skill is a product of the historical workplace struggle.

There is a possibility that as part of award restructuring, the complementarity between men's work and women's work that has been entrenched within the Australian labour force, may at last be broken down. Award restructuring offers industry the chance to recognise and accredit skills and introduce formal training into women's occupations (McCreadie 1989, p. 14). Hall (1990) describes the opportunity for change as possibly dangerous:

> The Chinese character for 'crisis' means 'dangerous opportunity'—a neat way of expressing the prospect of both gain and disaster. I think award restructuring is, in that sense, a crisis for equal employment opportunities, a dangerous opportunity to break down barriers, and open up careers—or to see the blinds fall on the missed window of opportunity for a long time. The opportunity is, simply, this: that equal opportunity advocates usually have been confined to working around the edges of firmly established employment structures. With award restructuring, those structures can be reviewed and redesigned comprehensively. Equally simply, the danger is that new structures can incorporate restrictions from the old, and impose new barriers and constraints.
>
> (Hall 1990, p. 3)

Unless women's work is re-evaluated in the award restructuring negotiation process, current structures will remain. Multi-skilling and broadbanding will not eliminate the bias in the value of women's worth.

The real test for change will be evident in the textile, clothing and footwear industries, where women comprise over 60% of the workforce. In the clothing sector alone, women comprise at least 95% of workers. In these industries machinist classifications will need to be 'unpacked' and dispersed across several skill levels, up to and including trades level. Under a process of award restructuring, a range of skill factors could be recognised and remunerated which will create a potential to reach the new trades level and increase pay rates. The real question can be stated in the following terms: how likely is it that large numbers of women workers will find themselves reclassified upwards in the transition to new awards?

> In manufacturing, the slotting in of workers to the new structures is to be done by a combination of skills audits and competency testing. For Australian unions this is uncharted territory. Not surprisingly, there is an army of consultants (mainly men) eager to jump on the restructuring bandwagon and offer their expertise. But if the process is to benefit women it will need to be done in a way which is sensitive to the historical gender bias. This means accepting the possibility that existing skill relativities could be turned inside out, with some operators' positions being equated in status with the trades person.
>
> (McCreadie 1989, p. 13)

From the unions' perspective, one of the redeeming features of award restructuring had been the expected benefits for low-paid workers. But the Industrial Relations Commission has refused to accept the ACTU's proposed set of relativities which leaves many process workers (mainly women) short-changed. There is a great need to take the debate about sex-stereotyping of jobs and the undervaluing of womens' work into the award restructuring arena.

ACTIVITY 5

Does the classification of skills in your industry have a sex bias in favour of males? To what extent do job classifications in your industry reflect a period when the industry was male-dominated?

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ISSUE 6

The Training Guarantee Levy — a tax or an investment?

On the 31 May 1990, the Federal government passed legislation which imposes a levy on industry to pay for the improvement of skills training. The two bills, the Training Guarantee (Administration) Bill 1990 and the Training Guarantee Bill 1990 provide for a levy of 1% of payroll from 1 July 1990, increasing to 1.5% at 1 July, 1992. The act was amended in July 1991.

This levy scheme is borrowed from the French system of internal levies on companies—a system which requires them to spend defined amounts of revenue on training and education.

The Australian levy targets public and private employers with an annual payroll of $200 000 or more, with at least 10% of companies and 80% of workers being affected. Exempt employers would include those with annual payrolls of less than $200 000, public benevolent institutions, religious institutions, international organisations, diplomatic bodies and non-resident employers. The levy is designed to encourage those employers who engage in little or no training to increase the training activities of their enterprise.

Only employers who fail to meet the minimum requirement will have to pay the Training Guarantee charge. That money is then directed into a centrally administered training fund which is allocated to the States on a pro rata basis for new training activities. The levy encourages employers to make decisions on how they spend their training dollars, within a broad definition of eligible training.

The incentive is for employers to spend the money themselves on training programs rather than to make payments into the Training Guarantee Fund. Any money remitted to the fund will not be a tax deduction but any money spent on eligible training qualifies as a tax deduction. Questions of eligibility of training activities can be determined by industry training agents. If the agent is satisfied that the activities or expenditure meet the legislation's requirements, a certificate to that effect can be issued. That certificate is binding on the Commissioner of Taxation. Most businesses usually try to convert their income into assets so that they can avoid paying income tax. Eligible training programs create a long-term sustainable asset for employers.

The Federal Government used the findings of a national survey of employer spending on training to defend the introduction of a training levy. The Australian Bureau of Statistics (ABS) found in 1989 that less than one in four companies spent any money on formal training. The ABS report also found that there were enormous variations in the level of the commitment to training by individual employers.

Many companies view the training levy as another financial and administrative burden imposed by an insensitive bureaucracy. Other firms take the view that money spent on training and development will bring lasting benefits. It is questionable whether a levy system will be sufficient to guarantee that employers actually undertake training.

Eligible training expenditure can be defined as any expenditure, less any government subsidy, which is directly attributable to an eligible training program. This might include:

- the cost of determining the need for training;
- preparing and reviewing strategic and other plans in relation to training programs;
- developing, providing, evaluating and also administering eligible training programs; and
- developing and administering accounting and information systems in relation to training.

Other expenditure attributable to eligible training programs includes salaries during training, travel, accommodation and meal allowances, and fees and materials such books and videos.

The Training Levy scheme is not without its difficulties. Some of these are outlined below:

- It has the potential to suffer from high administrative costs and cumbersome bureaucratic procedures.
- It has the potential of removing decision-making from the enterprises themselves.
- A national scheme can lack sensitivity to the needs of particular industries and enterprises, although it also has the capacity to provide funds for training projects which are consistent with national goals.
- The levy scheme may meet the needs of particular industries but may not cope with the needs of firms and occupations which cut across industry boundaries.
- The Training Scheme is open to abuse. For example, male management executives can exclude women from company courses while allowing their wives to accompany them on trips away. That is, spouses can accompany staff or 'other person' as long as they participate in the course. The 1991 amendment has, however, closed some of the loopholes.

- The wording of the Training Guarantee Act makes no allocation for the provision of equal training for men and women in the workforce. Because women tend to occupy the lower rungs of the corporate ladder, women are more easily excluded from opportunities to increase their competence levels. The act does not actively encourage women employees to compile the types of courses that women would be interested in attending.
- There is no provision in the act for employers to spend proportionate amounts of training funds on all grades of employees. For example, all training expenditure could be spent on management rather than training employees at lower levels.
- Anomalies do exist between the Tax Act's definition of training and the Training Scheme's definition.
- Donations to other persons can satisfy the terms of the legislation, but an anti-avoidance provision in the legislation could mean that some of these donations do not qualify.
- Related companies are allowed to group their training expenditure but companies and related partnerships or individuals did not have the same facility. This has been somewhat changed in the 1991 amendment.

ACTIVITY 6

Determine the appropriateness or otherwise of borrowing a training levy model from overseas.

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ISSUE 7

Cost of training — public vs. private

Opinions differ greatly as to who should pay for training in Australia. Despite the gains which have been achieved by award restructuring by bringing training into the political arena, its effectiveness may be limited by a problem of financial resourcing:

> There's a lack of national commitment by the government, the unions and the employers to inject cash into the training system, actually to train the thousands of process workers who make Kambrook Kettles, Ford Falcons, and Email Refrigerators, to understand quality concepts or to do minor or even major engineering tasks.
>
> (Curran 1990, p. 11)

The Confederation of Australian Industry argues that it would be preferable for industry to organise its own funding arrangements to meet its overall training needs in a timely and equitable manner. In this way, industries would be able to develop training strategies for their own particular needs and circumstances.

However, the Federal Government favours an interventionist approach. Arguing that industry has not made sufficient progress in providing acceptable levels of training, a two-volume government report released in October 1990, called *Training Costs of Award Restructuring* (Deveson Report), argues the case for private industry taking a greater share in the general provision of post-school training. The Deveson Report is consistent with the earlier Dawkins and Holding *Skills for Australia* paper which states:

> There is an urgent need to reverse the long-term trend for the public sector to meet an ever-increasing share of total financial responsibility for training . . . Governments have a large and appropriate role to play in the basic education and training system. Beyond this, it is primarily the responsibility of employers and workers themselves to develop the skills required for effective industrial performance and individual development.
>
> (Dawkins & Holding 1987, pp. 13–14)

This recommended share includes a contribution to 'communication development' on the same basis as other skill training. Submissions to the report demonstrated that in many industries, 50% of the employees, both Australian born and NESB (Non English Speaking Background), are functionally illiterate.

The head of the inquiry into funding of industry training, Mr Ivan Deveson, was reported in the media as believing workers should partially share the cost of training with employers. He argued that there was a case for sharing the funding for industry training across the board. Union reaction to this proposal was one of opposition to any imposition of additional financial costs on workers.

The Deveson Report (1990, p. 14) found that recurrent expenditure estimates on training through TAFE in 1989 amounted to $1 569.8 million while Pappas Carter Evans & Koop (PCEK 1990, p. 17) estimated that public and private sector industry currently spends $1 300 million on training.

Projected estimates in the Deveson Report suggest that the government contribution to training through the TAFE sector would increase by 5% per year, which implies an increase from $1.6 billion in 1990 to reach a level of $2.0 billion by 1995. For the private sector, PCEK (1990) predicted a 50% increase by 1995 due to an increase of about 33% in demand. The Deveson Report (1990, p. 29) argued that the responsibility for training delivery will shift marginally toward industry rather than TAFE. However, the impact of award restructuring on private industry's training costs will be felt within a five-year time frame rather than two years (Green & Mills 1990).

The Deveson Committee argued very strongly in the report that:

> ...industry should adopt a greater commitment to training as a core ingredient of its success and profitability—and of its contribution to the nation.
> (Deveson Report 1990, p. 61)

The report highlighted the need for training partnerships between government and industry, especially where access by the disadvantaged is involved.

The Deveson Report (1990, pp. 12–14) provided data on participation rates for TAFE courses, apprenticeship intakes and traineeships but indicated this was only part of the picture. The report noted that industry training encompassed all types and levels of employees (Deveson Report 1990, p. 13) and that many firms provide their own in-house training. In some cases much informal on-the-job training has been replaced by structured on-the-job training or in-house off-the-job training.

ACTIVITY 7

What arguments against industry contributions to training can be advanced by industry? Are they justified?

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ISSUE 8

Commercialisation of training — those who pay the piper play the tune

The other issue for concern is the increasing commercialisation of training programs. Two problems emerge here. Firstly, there is a danger that fees will act as a barrier to those who cannot afford to pay them, and high fee courses can therefore be monopolised by small, relatively privileged groups—whether self-financing or employer-financed. Commercialisation of training could create quasi-craft barriers all the way down through the skills hierarchy.

The problem is that management tends to be involved in exclusive training programs while the blue collar and lower paid white collar workers are relegated to cheap in-house activities. New work classifications and skill levels could act to close off areas of work and levels of pay, rather than to increase opportunities and create greater flexibility.

The second key concern is that corporatist views of training, held even by the public sector, could result in very narrowist conceptions of reproducing a generation of workers skilled only for a capitalist workplace. The workplace reforms align the education system with the attainment of national economic goals which coincide with those of large corporate interests.

ACTIVITY 8

Produce a basic profile of the major training activities that have been provided at different skill levels in your industry. Examine the cost differential between programs offered to employees at different skill levels.

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Issue 9

Relevant government reports in the 1990s

The three reports examined in this section seek to answer three key questions: how to improve the education and training of our workforce; how to ensure Australia's survival in world markets; and how to ensure worthwhile employment for people in the future. However, some may wonder whether the following reports reflect a pressure on government to conform mainly to the demands of industry rather than cater for the total well-being of the Australian population.

> The vision of 'The Finn Committee', which comprised exclusively business leaders and bureaucrats (teachers and student members were absent), and the corporatist interests of the BCA view education priorities in instrumental terms, assuming that improved educational performance will automatically translate to improved economic performance, an assumption which neatly evades the vagaries of the market place to which the policy authors zealously subscribe.
>
> (Kell 1991, p. 154)

It is interesting to note that the first report discussed below (The Finn Report) is almost identical in substance to the Business Council of Australia (1991) document 'Declaration of goals for Australia's schools'. Both documents recommend a minimum of thirteen years of schooling and a strengthening of vocational and technical education more linked to business and industry. Similarly, both documents favour the adoption of 'key competencies', 'common learning tasks' and 'agreed performance standards' in evaluating the standard of education and training.

Report 1: The Finn Report

Both State Governments and the Federal Government have embraced the recommendations of the Finn Report into post-compulsory education, ensuring that by the year 2001 all young people under the age of twenty have attained a vocational qualification equivalent to the National Training Board's Level 2. The main thrust of the report supported a view that there are essential things that all young people (fifteen-year-olds to nineteen-year-olds) need to learn in their preparation for employment, and that they should be able to develop these employment-related key competencies regardless of the education and training pathway they follow.

The report identified six areas of competence considered essential to the preparation for employment, and recommended that credible and nationally comparable ways of assessing young people's attainments be developed. The six areas of competence identified were:

- language and communication
- mathematics
- scientific and technological understanding
- cultural understanding
- problem understanding
- personal and interpersonal skills

Report 2: The Mayer *Discussion Paper* (still in progress as at June 1992)

The Mayer Committee has released discussion papers on its brief which is to extend the findings of the Finn Report by undertaking further exploratory work on the employment-related key competencies concept. The discussion paper issued in March 1992 (Australian Education Council 1991a) urged further consultation with industry and educational and training authorities. Thus far the Mayer Committee has mainly focused on language and communication and mathematics although all employment-related key competencies have been placed within eight strands at three performance levels.

Report 3: The Carmichael Report

The Carmichael Report released on 10 March 1992 argues the case very powerfully that if young people are not prepared for work, they will be prepared instead for unemployment. The basic thrust of the Carmichael Report is to challenge the archaic and rigid apprenticeship system which places too much emphasis on age and achievement relative to the age group and far too little on actual, measurable and assessable skills.

Currently the apprenticeship system serves only a small percentage of young people—just over 10%—and is restricted to a number of trades. The report proposes a new system of entry-level training which merges the current system of apprenticeships and traineeships into a new Australian Vocational Certificate Training System. The new system will provide, along with the HSC and VCE in Victoria, a qualification for the workforce for virtually all young people.

Industry is confronted by the fact that it needs investment in human resources as much as technology.
— Laurie Carmichael

Former union chief Carmichael rings in changes to workforce

For Mr Laurie Carmichael, decades of revolt against demeaning and cruel work practices have metamorphosed into work towards a different and dynamic future through planning for an educated and skilled national workforce.

Mr Carmichael, 67, was at Ballina yesterday to address a conference of senior education and TAFE officers as chairman of the Employment and Skills Formation Council of the National Board of Employment, Education and Training.

He outlined the implications of the Finn Report on education and training and the findings of the subsequent Mayer committee in relation to a new pattern for education and its relationship with industry.

He said that up to the early 1970s, the bulk of skills formation had been at the lower levels of industry where workers had to perform 'human robotic tasks' and the young population failed to see the relevance of learning.

Most workers were told what to do and how and took part in little decision-making in a 'highly alienating and adversarial' climate. There were barriers to promotion and management was authoritarian.

"In a previous life, before my 'metamorphosis', I had some reaction to it myself which led to some publicity," Mr Carmichael said in one of the understatements of the century.

Mr Carmichael, a fitter and turner in a factory making tin cans, became leader of the Amalgamated Metal Workers' Union for many years, leading the revolt against authoritarian management's view of the 'human robot' workforce.

"The world has changed, particularly the world of work, and I've changed with it," he said.

Mr Carmichael told the seminar the advent of the silicon chip had changed the human robot view of labour forever.

"Industry is now confronted by the fact that it needs investment in human resources as much as technology," he said.

"Wherever computers apply to industry, it is now limited by the human resources required. We have to find a way to develop these human resources.

"And the skills of industrial relations must also be built into the workforce itself."

Mr Carmichael outlined the bold new nine-year $1.2-billion Federal Government plan to produce young people who could be integrated into a changing labour market by the year 2001.

(Source: *Northern Star* 2 June 1992, p. 3)

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The report aimed to:

- increase the occupational and industrial areas covered by articulated, structured training arrangements;
- provide multiple flexible pathways to accommodate the needs and circumstances of most young people;
- contribute significantly to the task of producing a more skilled and productive workforce and thereby generate new employment opportunities in an internationally competitive market; and
- facilitate the articulation of the credentials held by young people, with career paths established in most occupations and industries through the award restructuring process.

The report recommends that the new Vocational Certificate Training System provides for:

- four fully articulated vocational certificate levels equating with the Australian Standards Framework;
- assessment at each level through competency-based assessment, including RPL (Recognition of Prior Learning);
- levels to be certified by nationally consistent Australian Vocational Certificates; and
- competence in the generic key areas identified by the Finn Report.

Other proposals include:

- articulation, credit transfer and RPL to facilitate progression to higher levels of competence;
- completion target (for Year 12) of 90% of young people by 1995;
- integrated networks for the flexible delivery of education and training to be developed through closely linked networks of senior colleges, TAFE colleges, local firms, skill centres and group-training companies; and
- flexible industry-based or enterprise-based approaches to the development of work-based vocational certificate training.

One of the most significant proposals, currently being taken on board by the government is to move away from age-based pay scales to a scale which recognises the competency attained by young people. This system recognises a person's capacity to undertake a range of work and recognises that they accept the responsibilities associated with the job.

The Carmichael Report remains highly contentious. It fails to address:

- the skilling needs of the majority of the workforce;
- the needs of older workers returning to the workforce; and
- the real needs of disadvantaged groups such as young women, Aboriginal people, migrants and students with disabilities.

Clearly the value of the Carmichael Report lies in its aim to break down barriers between pathways in the school and vocational education sectors.

ACTIVITY 9

What has been the consistent theme of all these government reports since the late 1980s?

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ISSUE 10

Competency Based Training (CBT)

Competency Based Training (CBT) is essentially a systematic approach which ensures that learners in vocational training programs achieve pre-specified objectives. A competency based approach emphasises not the length of time a student attends a course of study, or how well the student does in relation to other students, but rather focuses on whether a student, on completion of the course, can achieve clearly specified skill levels.

CBT is not new—but what is new is that it is a key pillar in the building blocks of current workplace reform in Australia. The skilling movement has resulted in a renewal of the competency movement. Workplace reforms that are directly linked to the successful implementation of CBT include:

- the development of new industrial awards based on defined workplace competencies;
- new approaches to job design based on clusters of tasks which in turn are defined by competencies required in terms of skills, knowledge and attitudes;
- career paths involving a logical development of worker competence both on-the-job and off-the-job;
- recognition of prior learning that may be gained through experience on-the-job or through other forms of non-formal learning;
- a closer linking of on-the-job and off-the-job training to ensure each are mutually defined in terms of competence requirements to be achieved under workplace conditions; and
- recognition of competence related to qualifications or workskills gained overseas.

Most of the literature on CBT focuses concerns around the following:

- What is meant by a competency?
- How can competencies be identified?
- How can competencies be assessed?

NEWSBREAK

The myths that miss the point

Competency Based Training (CBT) is polarising the education community. Academics ANDREW GONCZI and PAUL HAGER demolish some of the present myths

THE Behaviourist Myth: This argues that competency standards are founded on the view that competence consists in overt, observable behaviours.

In fact competency standards in an occupation integrate tasks that need to be performed with the attributes a person must possess to perform them – attributes such as knowledge, abilities, skills and attitudes. Thus competence is not directly observable, rather it is inferred from successful performance.

The Complexity Myth: This argues that not all human activity, even directly work-related human activity, fits the competence model.

Hence, the argument runs, professional work is too complex to be captured completely in a set of standards. The conclusion is that competency standards are not appropriate for professional work. We accept the premiss of this argument but deny that the conclusion follows from this premiss.

What is not being pointed out in this argument is that failure to capture the totality of an occupation is true of all assessment models. So competency standards make no claim to exhaust all facets of a profession, just as traditional entry procedures for professionals don't claim to be totally comprehensive.

What a good set of competency standards does do is to provide a clear statement of what is considered to be important in competent performance in that profession. This is something which has been a long felt need of registering authorities and the like, thereby pointing to weaknesses in the present arrangements.

The Training Myth: This holds that as a result of establishing competency standards, the corresponding courses that prepare people for the profession will adopt competency-based training.

Academics are, of course, correct in their rejection of professional courses becoming a series of practical modules. However when competence is conceptualised via the integrated approach in terms of knowledge, abilities, skills and attitudes displayed in the context of realistic professional tasks, these consequences no longer follow.

Rather than recommending the adoption of competency-based training, the integrated approach, by also emphasising requisite knowledge, abilities, skills and attitudes, offers powerful guidance of improvement of traditional courses in respect of content, teaching strategies and assessment procedures.

Competency standards also offer educational and assessment benefits. The competency standards themselves are a powerful guide to providers of professional education. However, it needs to be emphasised that they are not a curriculum document. So, for example, entry level competency standards specify what new graduates should be able to do, but say nothing about how this state is to be achieved. Hence for providers there is as much flexibility as ever to decide what to teach, how to teach it and how to assess it.

The Central Control Myth: This suggests that competency standards are developed and controlled by government bureaucrats, eg the National Training Board. In fact, the philosophy behind the development of competency standards in Australia is that the profession or industry lays down and develops the standards.

In many cases university staff are active members of the professional body, hence they have strong representation on the body that owns and develops the competency standards. In all cases the professional body is a main stakeholder that is entitled to significant input into courses for their profession.

Since the competency standards are a powerful guide to providers of professional education without being a curriculum document, they provide common ground for discussion between providers and the profession that doesn't exist at present.

The lack of such common ground in the past has seen some university faculties fragment into a series of specialist departments that compete with one another for funds, staff, etc. and thereby lose sight of the totality of professional practice. The competency standards will enable the relative roles of the providers and profession to become clearer in a mutually co-operative environment.

The Checklist Myth: This holds that assessment of competence involves ticking off a checklist of observable behaviours. Given the complexity of professional work, this is seen as a futile attempt to achieve objectivity at the cost of validity. We accept this criticism of the behaviourist task approach to competency standards.

However when the integrated approach to competency standards is adopted, competence is not something that is directly observed. Rather, as pointed out above, competence is inferred from performance. This has the effect of placing assessment of competence in the same boat as other kinds of assessment in academic institutions in that procedures are available to maximise its validity and reliability.

The Lowest Common Denominator Myth: This is commonly put forward in relation to entry-level competency standards. It holds that because they prescribe minimum standards, they therefore discourage excellence by reducing everything to the lowest common denominator. A variant on this is that they promote de-skilling.

These charges are no more logical than making the same claims about traditional examinations on the ground that there is a minimum mark for gaining a pass. More specifically, this myth is based on a complex misunderstanding of the nature of the standards. For the charges to have any substance, the standards would have to relate to tasks that admit of no degrees of performance, ie you can either do it or you can't. However in professional work (and in most other kinds of work), such tasks are rare. Typically, the standards relate to tasks that admit of many degrees of performance, as does the task of taking a traditional examination.

In both cases the existence of a minimum satisfactory level of performance is consistent with a full range of performances from excellent through to fail.

Of course the expectation is that most graduates of professional courses will greatly exceed the performance levels specified by the entry-level competency standards, just as most entrants to the professional courses greatly exceed the entry requirements.

Impracticalities of Assessment Myth: This holds that the costs of assessment of competence would be prohibitive. In fact much assessment which takes place at present is assessment of competence. For example, before students are able to complete a course of teacher education they have to demonstrate a variety of teaching competencies assessed by direct observation and by evidence provided by supervisors as well as through traditional examinations of knowledge.

In summary, before competency based approaches to higher education are dismissed it would be desirable for its critics to adopt some of the attitudes and practise some of the habits of mind which they claim are the hallmark of a university education.

● *Andrew Gonczi and Paul Hager are from the faculty of education at University of Technology, Sydney*

(Source: *Australian* 20 May 1992, p. 18)

However, the CBT movement is not without its critics. Some of the concerns include its:

- relation to Taylorism (see the article by Brown (1991))
- disempowering aspects (see the articles by Jackson (1991a, 1991b))
- products rather than process (see the article by Collins (1983))

ACTIVITY 10

How and why is CBT regarded as the linchpin of the workplace reform agenda?

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ISSUE 11

Recognition of Prior Learning (RPL)

The Recognition of Prior Learning (RPL) movement advocates that RPL will assist in the achievement of a more flexible, highly skilled and productive workforce. The system provides for a mechanism through which an individual may obtain formal recognition for achievements of past learning and experiences. RPL assesses an individual's level of competency and knowledge based on broader criteria than the current reliance on only formal qualifications. It allows for the acknowledgment of an individual's skills and knowledge irrespective of how it has been acquired.

The basic premise on which RPL is based is that people can and do learn throughout their lives and that much of this learning, whether it takes place at work or at home, can be relevant and valuable within an occupational role. The purpose of RPL is to identify and assess the accumulated learning experiences of an individual in relation to clearly prescribed vocational outcomes. The process involves an acknowledgment of skills and knowledge obtained through:

- formal training, conducted by industry or education authorities;
- work experience including informal training; and
- life experience.

The focus of RPL is on learning outcomes, not on how, when or where the learning took place. Hence the system focuses on product rather than process. It is outcomes-driven rather than process-oriented. It is clearly related to the thrust and ideology of the competency based movement—like two peas in a pod.

RPL has become a catchcry in the workplace reform movement. The prescribed vocational outcomes determined by the relevant regulatory authorities form 'benchmarks' against which prior learning is assessed. In the case of formal training these would be the course outcomes as defined by a curriculum. In the case of industry, these would be the skills or competency classifications established through industrial awards.

It has been argued that RPL helps to tap into unrecognised skills in the labour market which will:

- recognise those skills which already exist both in the current and potential workforce;

- widen access to education and training;
- widen access to nationally recognised vocational qualifications;
- provide a system for 'skills audit'; and
- reduce training time by assessing and accrediting existing competence.

Obviously such benefits are attractive to employers if existing competencies can be formally recognised and training time can be reduced. For employees it means that they can gain nationally recognised qualifications to which they were previously denied access because of pre-entry requirements or lengthy periods of study.

ACTIVITY 11

If part of the workplace reform agenda is to improve the skill base of the Australian workforce, how can RPL do any more than maintain the status quo? That is, can RPL be used as a mechanism for abrogating training responsibilities?

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ISSUE 12
Management upskilling

'Kaizan' has become a new catchword in Australian industry—it means 'continuous improvement'. At a 1991 summit organised by the Business Council of Australia, entitled 'Our Competitive Future' business people were bombarded with numerous slogans and catchphrases like 'benchmarking', 'kaizan', 'total quality management' and 'just in time'. As the media reported, the walls of the Sheraton Wentworth's ballroom echoed with platitudes regarding the need for Australia to become more productive, more efficient and, of course, more competitive.

But the problem is that despite the cries for increased efficiencies, management itself is doing little to upgrade its own ranks. The main problem with management training is that it is geared to solve immediate problems rather than to integrate courses into an overall management development program for individual managers. As well, many managers in Australia are untrained in management skills or have been promoted to management positions for reasons that are not always related to management potential.

Back in 1990, the then Minister for Employment, Education and Training, John Dawkins, called upon managers to upgrade their skills. He argued that managers were neglecting themselves when it came to training because they did not consider themselves to be 'workers'. He suggested that managers had misunderstood the Training Guarantee Legislation—thinking it was only directed at blue-collar training. He argued for a direct correlation between productivity and management practices.

In Dunphy and Stace (1990) the authors describe the methodology and style of change in leadership that is beginning to emerge in major private and public sector organisations. They emphasise the link between business change and strategy and human resource management.

Promotion not always related to potential

Teaching managers to manage

By DEBORAH KNUCKEY

YOU wouldn't go to an unqualified doctor or you wouldn't let a person with no training run the company's books and you wouldn't allow an unlicensed driver to drive you around.

However, many companies put their financial health and staff's wellbeing in the hands of untrained managers, says the chairman of international management training company The Crest Group, Mr Hal Krause.

"Engineers and architects deal with exacts; building a bridge in Australia and Africa, the stress limitations and the load factors are the same," Mr Krause said.

"Attorneys and solicitors deal with a specific set of rules. Doctors can expect patients with similar problems to react to similar treatement in a similar fashion.

"The managers' world is different. Different people definitely don't respond to the same treatment from the same men and the stress factors and the load limitations vary greatly.

"On top of that, the managers' world is filled with snipers," he said.

"Top managements' job is to develop bullet-proof managers."

But the challenges faced by managers were universal.

"The mechanics of business differ but the humanics of people and management are the same," he said.

Mr Krause, who started sales training in 1964, set up The Crest Group in 1987 to meet clients' needs for management training.

He found that not only were most managers untrained in management skills, but they had been promoted to management for reasons that were not always related to their management potential.

"Most managers became managers in one of three ways," he said.

"They did a good a job in another capacity and were promoted, they were related to the boss (that's not a joke, 95 per cent of all companies start as family-owned companies), or, in the case of a sales maanger, they were a top salesperson.

"But the qualities that made them good at another job, a good relative or a good sales person, did not necessarily mean that they were going to be a good manager."

Most managers were only trained in the mechanics of the business and missed out on learning the vital managerial skills.

The "Watch George" training method was commonly used, he said.

"The new manager shows up and says: 'Boss, I'm ready to go to work. What do you want me to do?'

"The boss says: 'See George over there? George has been there 17 years and George knows everything there is to know about this company. We are just going to let you work with George a few days'.

"In most organisations managers are responsible for pretty much the same thing.

"Managers are responsible for hiring, training, planning, organising, delegating, communicating and, hopefully, motivating the people they work with."

Those skills should be taught, as to give people managerial responsibility without the skills needed to be a good manager was a recipe for, if not disaster, mediocrity.

There were many tired, old excuses for not doing management training.

Many companies claimed the managers were too busy, but they always found time to repeat poorly done work.

"Abraham Lincoln said: 'If I had three hours to cut down a tree, I'd spend the first two hours sharpening my axe'," he said.

Others said they were too small, "yet if an organisation has 100 staff and one person is not operating at full capacity, that's 1 per cent of their organisation," he said.

"But if they have five people (in the company) and they have one person who is not operating at the maximum effectiveness, that's 20 per cent of their organisaion."

To answer companies that claim they could not afford training, Mr Krause says: "The cost of training is far less than the cost of ignorance".

But most companies have coped with little or no management training in the past.

"They have survived, but they haven't accomplished what they might have,"

Mr Krause was visiting Australia from his Colorado base to show his local distributors his latest video-based course, The Bullet Proof Manager.

The course, which is distributed through Richard C Jones and Associates in Sydney, has 12 three-and-a-half hour videos on management, marketing or staff motivation and a session run by a facilitator.

The participants meet once a month, giving them time to integrate the previous unit's lesson into their work.

Mr Krause likens the spread-out approach to callisthenics; a short spurt leaves you sore, a regular workout leaves you strong.

(Source: *Australian* 8 Dec. 1990, p. 41)

NEWSBREAK

Managers need to update skills

BUSINESS managers need to update their skills, according to two structural efficiency experts.

Mr Garry Adams, former industrial officer with the Municipal Officers Association and now with management consultants Noble Lowndes Cullen Egan Dell (CED), said many companies neglected the multi-skilling of management and concentrated solely on increasing the abilities of their general workforce.

Mr Adams' Sydney-based counterpart, Mr David Pitman, prepared a CED report entitled Restructuring: Now and for the Future.

The report is an analysis of Australian management performance, which confirms the results of the recently published Business Council of Australia report.

The BCA report found management skills are not keeping pace with the restructuring of the workforce.

Mr Adams said the BCA report confirmed CED findings that management shortfalls were a problem in the previous two-tier wage system.

"Not enough managers fully appreciate the opportunities that successive national wage systems have offered them," he said.

And the findings of the reports illustrated that although business was working toward gaining greater management skills, it was not progressing rapidly enough.

CED believes the next opportunity for managers to lift their game will come with the next wages system.

"This will almost certainly embrace issues such as those embodied in the Structural Efficiency Principle – issues such as work redesign and more flexible working patterns," Mr Adams said.

"The heart of the structural efficiency debate centres on whether Australian managers have the necessary expertise to utilise effectively the opportunities presented by SEP."

Mr Pitman agrees.

"In today's world doing nothing is no longer an option," he said.

"Unions and employers need to make well-informed decisions on closely related issues."

Managers needed to be able to cope with workplace consultation, new systems of training and accreditation, job redesign, more flexible working arrangements and reduced demarcation barriers.

"Essentially, for management to be able to play a key role in changing the shape of the workplace, they need to be able to drop the old methods of thinking," Mr Pitman said.

In today's workplace the distinction between production and personnel-industrial relations was anachronistic.

"The breakdown of relations into these categories was probably always ill-conceived and is totally unrealistic in today's workforce.

"Managers must now become conversant in all issues affecting their enterprise if they are to compete with their rivals in Europe, Japan and North America."

CED has also found managers do not have a sufficiently long-sighted view of their business future.

"They must anticipate the move toward comparable levels of flexibility and productivity that will be achieved in the 1990s and beyond," Mr Pitman said.

Mr Adams . . . 'lost opportunities'

(Source: *Australian* 25–26 Aug. 1990, p. 38)

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ACTIVITY 12

Using the information collected in Activity 8, determine whether management has been prevented from attending training programs due to cost factors.

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ISSUE 13

Performance appraisal

Performance appraisal is a process that involves evaluating performance. It focuses on individuals or on organisations but is an ambiguous construct which can either empower or dis-empower. In recent years attempts at designing performance appraisal systems originally have been set up to evaluate the work of organisations and plan future directions, but in the majority of cases, the emphasis has shifted to appraising individual workers. Most recently performance appraisal is being used to evaluate a worker's performance, communicate that evaluation to the worker and establish a plan for improvement.

According to Miles & Snow (1984) two different forms of appraisal appear to dominate the field. One approach aims at monitoring or checking the progress of a worker—a surveillance orientation; while the other aims at the development of workers—a professional development orientation. There are major political and ideological differences between the two.

The surveillance orientation is the approach taken in the development of performance agreements, down-the-line-management and performance indicators as ways of measuring whether or nor performance agreements have been met. The rationale for this system is mainly one of 'accountability' and 'efficiency'. This system needs to demonstrate that industry is being cost efficient. Equally important is the need for managers to know what is happening in the workforce and to ensure that their management policies are actually being carried out.

The professional development orientation is an approach which defines appraisal as an agreed and structured process of shared reflection and collaborative planning for achieving professional growth and development within the context of organisational goals. This process helps workers to reflect on what they have been doing and helps them to make plans for their own professional development. Performance review interviews can take place in collaborative ways, but the most usual form is that between supervisors and their immediate 'subordinates'. Hence it can be structured within the line-management system, thus closely paralleling the surveillance system. However, this approach is obviously less threatening than the surveillance approach.

Objections can be levelled at both approaches. Firstly, the nature of work is a collective and collaborative enterprise not a private and individual business. Both approaches tend to view the worker as a private, competitive individual who is thus accountable at the individual level. Such appraisal systems help to reflect and reinforce the individualistic view of work.

Secondly, the hierarchical nature of workplaces tends to reinforce power relationships in the labour process. Hierarchical appraisal systems assume that there are some individuals who have inner qualities and perceptions that provide them with the capacity to make judgements about others. An illusion is maintained that enables those in positions of power to structure workplaces in ways which encourage appraisal schemes to serve and reaffirm the logic of their own assumptions.

ACTIVITY 13

How can appraisal climates be developed where coercion and power relationships are absent?

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ISSUE 14
Changing workforce patterns

According to Barry Jones (1990) major changes have taken place in the modern workforce as we have moved from an industrial to a post-industrial society. These changes have included:

- a move from an agricultural to a manufacturing to a service economy—there has been a decline in labour-intensive employment but an increase in capital-intensive employment;
- a move for advanced economies into a post-industrial era in which services such as welfare, education, administration and the transfer of information dominate employment—by 1980 two thirds of employment in Australia was in the service sector (selling, teaching, office work, transport, administration, media etc.);
- creation by the computerised revolution of a fourth transition: 'post-service' where routine and repetitive service employment will be reduced;
- greater dependence on information and more people engaged in collecting, processing, storing and retrieving data than are employed in agriculture and manufacturing;
- fragmentation of knowledge—complex and power shifts from elected governments towards technocrats, public servants, corporations and media owners;
- emergence of a global economy with multinationals and a loss of power by individuals;
- postwar era of full employment largely male, replaced by higher participation rates generally but many women in insecure, low-paid work;
- widening gap between the information-rich and information-poor where education qualifications become the rationing device for entry into secure and satisfying employment, and failure imposes heavy social and economic penalties;

- miniaturisation providing for an exponential increase in output with a far lower investment in capital, labour and energy; and
- decline in population growth of large Western cities.

It is interesting to focus on the current changes that are taking place. It is argued that we will pass through a post-service revolution into a post-service society—which could be a golden age of leisure and personal development based on the cooperative use of resources. This type of society is likely to include the following features:

- There will be a levelling off in the numbers of people working in large-scale, market-based service employment (e.g. office work, retailing, fuel supply etc.) which is routine or repetitive and can be replaced by computerised operations which are cheaper, faster and more accurate.
- Employment will also fall where personalised services can be provided by centralised, computer-controlled means e.g. electronic mail delivery, telecommunications.
- Manufacturing will use fewer workers, especially in small firms which are forced to computerise to cut labour costs and survive against international or domestic capital-intensive competition. With increasing entry into the global economy, employment in textiles, footwear, motor vehicles and accessories will fall.
- There may be some compensating increases in making solar-energy equipment and leisure goods and in processing and fabricating metals.
- There will be a tendency towards a 'non-political' corporate state with a consequent growth of technocrats in decision-making.
- There will be increasing anxiety about the rate of depletion of the world's resources and the adoption of a stable state—where materials are recycled and miniaturised technology is used to save energy.
- The traditional work ethic will be declared irrelevant or counter-productive to society's needs. Compulsory leisure activities may be imposed on those for whom there is no place in the labour force. There should be a fundamental change in the relationship of workers to their employment, to time use, and to each other.
- There will be a mounting tension between the information-rich, who are employed and affluent, and the information-poor, who are unskilled, bored, frustrated and unhappy about subsisting on a guaranteed income.
- There will be DIY Do-it-yourself activities. New types of employment will be generated which are complementary to and not dependent on technological forms. They will be aimed at satisfying individual needs—deliberately intended to be labour/time absorbing—and work itself will be part of the output of production, as in craftwork, gardening and DIY.

Moonlighting is on the rise: ABS

By BERNARD LAGAN

CANBERRA: While almost a million Australians are out of work, the number holding down two or more jobs is growing rapidly, according to new statistics.

An Australian Bureau of Statistics (ABS) survey of multiple-job holders released yesterday shows than more than 330,000 Australians, or 4.3 per cent of the workforce, now have two or more jobs.

This compares with the 2.8 per cent of the workforce moonlighting in other jobs 10 years ago.

The typical person working two jobs is a married woman, 25 to 34 years old, and probably Australian-born. She earns about $327 a week in her main job, plus about $85 from a second job. She probably works up to 10 hours a week in the second job.

There are now 168,400 women holding multiple jobs. The number of men doing so is 163,200.

According to the ABS, the number of people holding multiple jobs was steady until 1983, but has been increasing every year since.

The biggest growth in secondary jobs was in the community services and recreation industries.

Of those surveyed, almost 29 per cent of men and 31 per cent of women working multiple jobs said their main jobs were professional.

Most men working second jobs said their main work was labouring, while most women said their main job was as a clerk.

About 42 per cent of women and 19 per cent of men with multiple jobs worked principally in the community services industry.

According to the ABS, construction workers seemed least in need of a second job: only 2 per cent of multiple-job holders surveyed worked principally in construction.

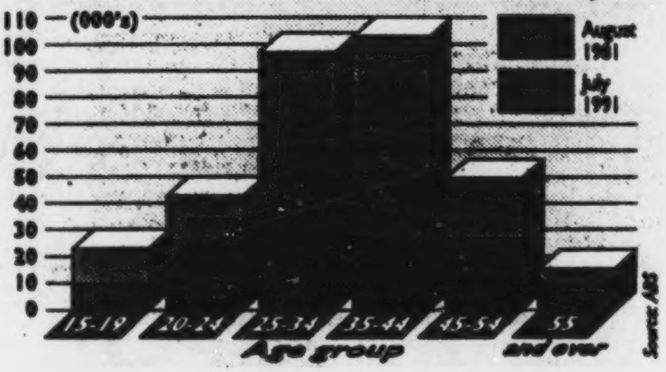
Most with multiple jobs work less than 35 hours a week in their main job; 27 per cent do less than 15.

Of those whose pre-tax weekly earnings were more than $520 in their main job, 23 per cent earned less than $60 in their second job, and 45 per cent got more than $120.

And of those whose main job weekly earnings were less than $160, almost 60 per cent earned less than $60 in their second job.

Workers aged 20 to 24 have shown the biggest rise in getting second jobs. In 1983, 2.4 per cent of that age group in full-time work had second jobs. By last year, this had risen to 3.8 per cent.

HOW MANY PEOPLE HOLD MULTIPLE JOBS



(Source: *Sydney Morning Herald* 21 Mar. 1992, p. 4)

Unpaid domestic work has until recently not been considered as work. It is now slowly being recognised that this service has enormous direct and indirect economic significance. It is difficult to calculate the work value of unpaid domestic labour, but if the services provided in most households had to be paid for on a professional basis there are few breadwinners who could meet the salary claim of their spouse.

ACTIVITY 14

With an increase in part-time employment rather than a growth in full-time jobs, discuss the proposition that we are moving towards a society where people hold multiple jobs.

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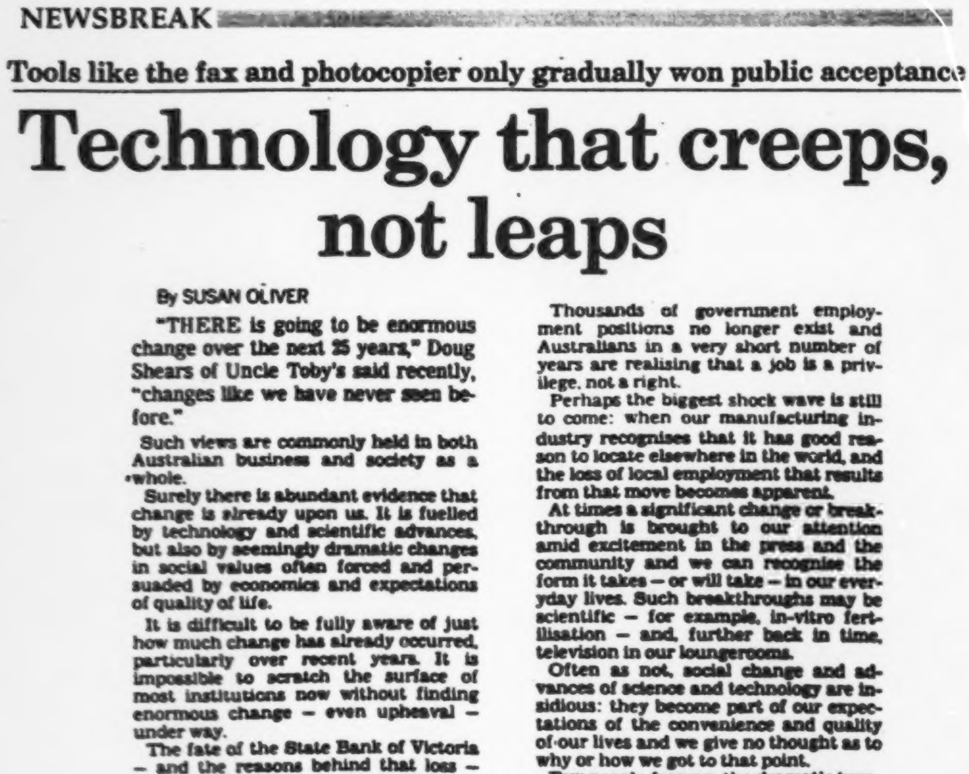
ISSUE 15

Technology, communication and training

The question needs to be raised as to whether modern technology has created a possibility that the labour market as we have known it is being terminally undermined. As machines can produce the wealth that society distributes, workers are less necessary to the production process, and the labour market becomes more redundant. In many industries new technologies have displaced human labour. As well, the introduction of robots to undertake tasks previously done by people has obvious labour-displacing effects. The application of programmable assembly lines means that there is less demand for the skilled craftsperson.



NEWSBREAK

Tools like the fax and photocopier only gradually won public acceptance

Technology that creeps, not leaps

By SUSAN OLIVER

"THERE is going to be enormous change over the next 25 years," Doug Shears of Uncle Toby's said recently, "changes like we have never seen before."

Such views are commonly held in both Australian business and society as a whole.

Surely there is abundant evidence that change is already upon us. It is fuelled by technology and scientific advances, but also by seemingly dramatic changes in social values often forced and persuaded by economics and expectations of quality of life.

It is difficult to be fully aware of just how much change has already occurred, particularly over recent years. It is impossible to scratch the surface of most institutions now without finding enormous change – even upheaval – under way.

The fate of the State Bank of Victoria – and the reasons behind that loss – strike at the heart of the institutions and value systems of post-World War II Australia; where respect for bankers, teachers, doctors and judges was an unassailable social right.

Thousands of government employment positions no longer exist and Australians in a very short number of years are realising that a job is a privilege, not a right.

Perhaps the biggest shock wave is still to come: when our manufacturing industry recognises that it has good reason to locate elsewhere in the world, and the loss of local employment that results from that move becomes apparent.

At times a significant change or breakthrough is brought to our attention amid excitement in the press and the community and we can recognise the form it takes – or will take – in our everyday lives. Such breakthroughs may be scientific – for example, in-vitro fertilisation – and, further back in time, television in our loungerooms.

Often as not, social change and advances of science and technology are insidious: they become part of our expectations of the convenience and quality of our lives and we give no thought as to why or how we got to that point.

Few people foresaw the dramatic turnaround in birth rates in Australia as in the rest of the developed world, from 3.55 children per household in the 1960s to 1:85 by 1989.

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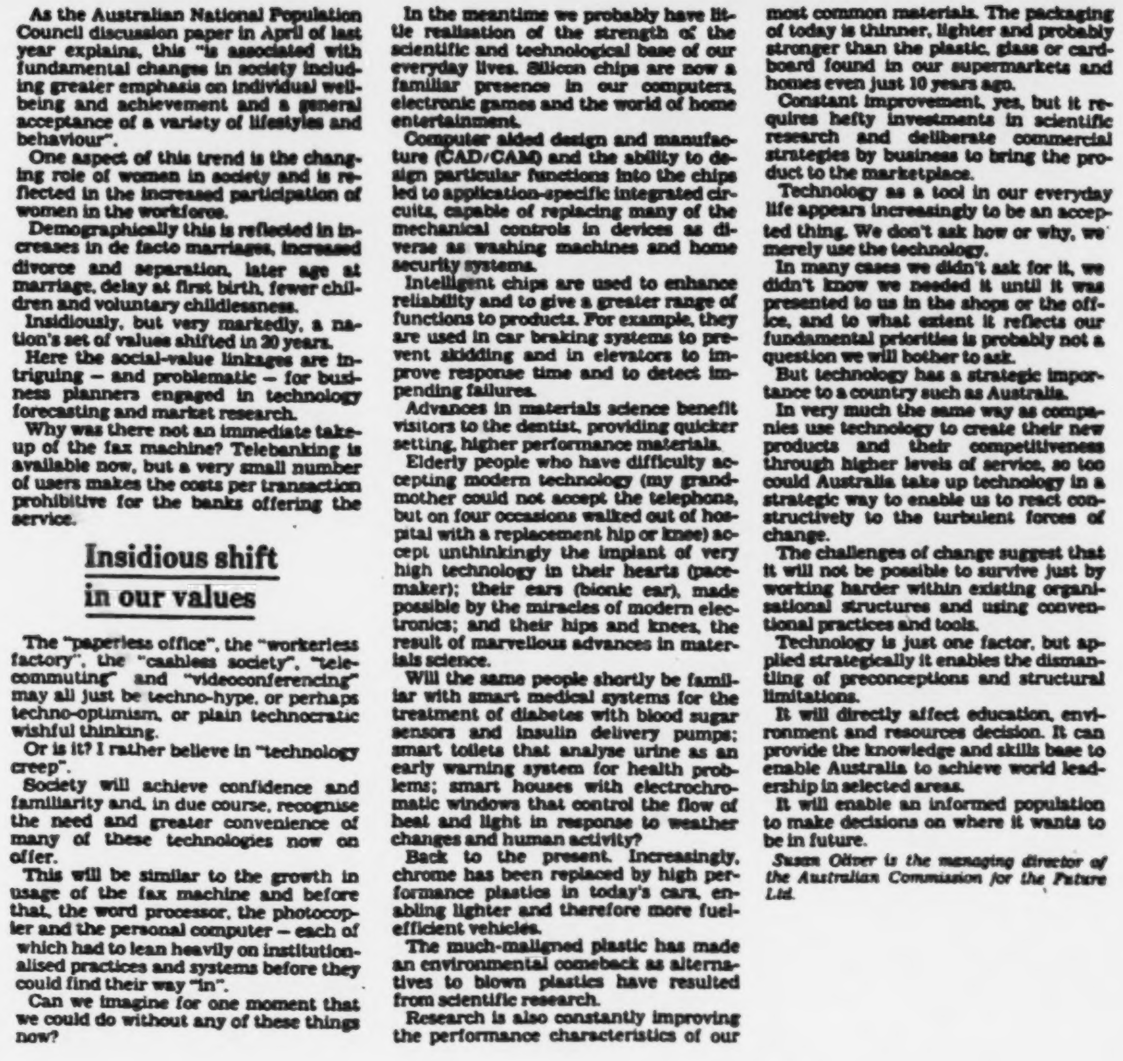


As the Australian National Population Council discussion paper in April of last year explains, this "is associated with fundamental changes in society including greater emphasis on individual well-being and achievement and a general acceptance of a variety of lifestyles and behaviour".

One aspect of this trend is the changing role of women in society and is reflected in the increased participation of women in the workforce.

Demographically this is reflected in increases in de facto marriages, increased divorce and separation, later age at marriage, delay at first birth, fewer children and voluntary childlessness.

Insidiously, but very markedly, a nation's set of values shifted in 20 years.

Here the social-value linkages are intriguing – and problematic – for business planners engaged in technology forecasting and market research.

Why was there not an immediate take-up of the fax machine? Telebanking is available now, but a very small number of users makes the costs per transaction prohibitive for the banks offering the service.

Insidious shift in our values

The "paperless office", the "workerless factory", the "cashless society", "telecommuting" and "videoconferencing" may all just be techno-hype, or perhaps techno-optimism, or plain technocratic wishful thinking.

Or is it? I rather believe in "technology creep".

Society will achieve confidence and familiarity and, in due course, recognise the need and greater convenience of many of these technologies now on offer.

This will be similar to the growth in usage of the fax machine and before that, the word processor, the photocopier and the personal computer – each of which had to lean heavily on institutionalised practices and systems before they could find their way "in".

Can we imagine for one moment that we could do without any of these things now?

In the meantime we probably have little realisation of the strength of the scientific and technological base of our everyday lives. Silicon chips are now a familiar presence in our computers, electronic games and the world of home entertainment.

Computer aided design and manufacture (CAD/CAM) and the ability to design particular functions into the chips led to application-specific integrated circuits, capable of replacing many of the mechanical controls in devices as diverse as washing machines and home security systems.

Intelligent chips are used to enhance reliability and to give a greater range of functions to products. For example, they are used in car braking systems to prevent skidding and in elevators to improve response time and to detect impending failures.

Advances in materials science benefit visitors to the dentist, providing quicker setting, higher performance materials.

Elderly people who have difficulty accepting modern technology (my grandmother could not accept the telephone, but on four occasions walked out of hospital with a replacement hip or knee) accept unthinkingly the implant of very high technology in their hearts (pacemaker); their ears (bionic ear), made possible by the miracles of modern electronics; and their hips and knees, the result of marvellous advances in materials science.

Will the same people shortly be familiar with smart medical systems for the treatment of diabetes with blood sugar sensors and insulin delivery pumps; smart toilets that analyse urine as an early warning system for health problems; smart houses with electrochromatic windows that control the flow of heat and light in response to weather changes and human activity?

Back to the present. Increasingly, chrome has been replaced by high performance plastics in today's cars, enabling lighter and therefore more fuel-efficient vehicles.

The much-maligned plastic has made an environmental comeback as alternatives to blown plastics have resulted from scientific research.

Research is also constantly improving the performance characteristics of our most common materials. The packaging of today is thinner, lighter and probably stronger than the plastic, glass or cardboard found in our supermarkets and homes even just 10 years ago.

Constant improvement, yes, but it requires hefty investments in scientific research and deliberate commercial strategies by business to bring the product to the marketplace.

Technology as a tool in our everyday life appears increasingly to be an accepted thing. We don't ask how or why, we merely use the technology.

In many cases we didn't ask for it, we didn't know we needed it until it was presented to us in the shops or the office, and to what extent it reflects our fundamental priorities is probably not a question we will bother to ask.

But technology has a strategic importance to a country such as Australia.

In very much the same way as companies use technology to create their new products and their competitiveness through higher levels of service, so too could Australia take up technology in a strategic way to enable us to react constructively to the turbulent forces of change.

The challenges of change suggest that it will not be possible to survive just by working harder within existing organisational structures and using conventional practices and tools.

Technology is just one factor, but applied strategically it enables the dismantling of preconceptions and structural limitations.

It will directly affect education, environment and resources decision. It can provide the knowledge and skills base to enable Australia to achieve world leadership in selected areas.

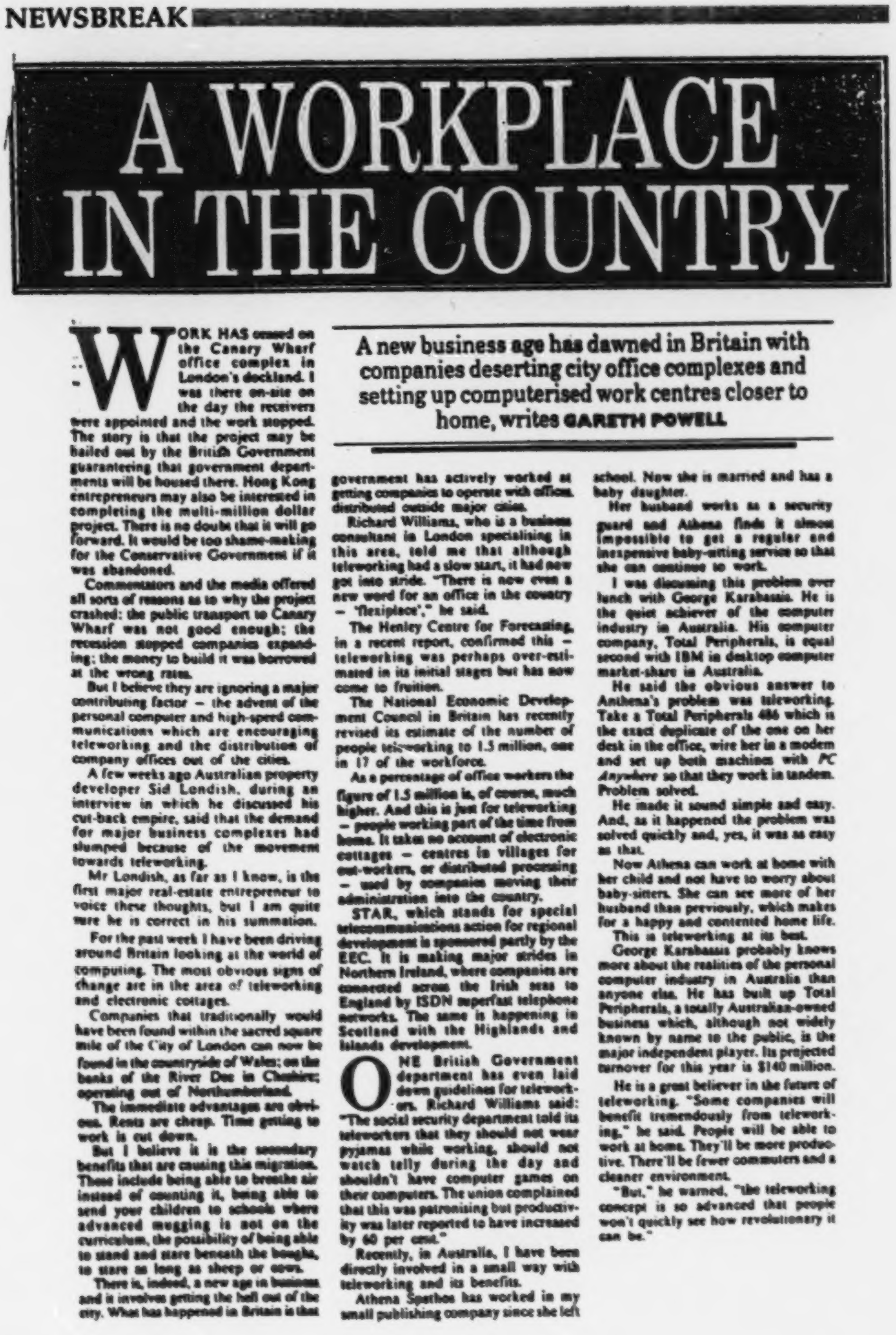
It will enable an informed population to make decisions on where it wants to be in future.

Susan Oliver is the managing director of the Australian Commission for the Future Ltd.

(Source: *Australian* 10 June 1992, p. 8)

Despite this trend, it is interesting to note that even in a period of massive technological change with its resultant impact on employment patterns, in the US the greatest employment growth has been in relatively servile or poorly paid service employment such as:

- eating and drinking (including fast chain)
- care of aged and sick
- building maintenance
- cleaning and delivery services



NEWSBREAK

A WORKPLACE IN THE COUNTRY

A new business age has dawned in Britain with companies deserting city office complexes and setting up computerised work centres closer to home, writes GARETH POWELL

WORK HAS ceased on the Canary Wharf office complex in London's dockland. I was there on-site on the day the receivers were appointed and the work stopped. The story is that the project may be bailed out by the British Government guaranteeing that government departments will be housed there. Hong Kong entrepreneurs may also be interested in completing the multi-million dollar project. There is no doubt that it will go forward. It would be too shame-making for the Conservative Government if it was abandoned.

Commentators and the media offered all sorts of reasons as to why the project crashed: the public transport to Canary Wharf was not good enough; the recession stopped companies expanding; the money to build it was borrowed at the wrong rates.

But I believe they are ignoring a major contributing factor – the advent of the personal computer and high-speed communications which are encouraging teleworking and the distribution of company offices out of the cities.

A few weeks ago Australian property developer Sid Londish, during an interview in which he discussed his cut-back empire, said that the demand for major business complexes had slumped because of the movement towards teleworking.

Mr Londish, as far as I know, is the first major real-estate entrepreneur to voice these thoughts, but I am quite sure he is correct in his summation.

For the past week I have been driving around Britain looking at the world of computing. The most obvious signs of change are in the area of teleworking and electronic cottages.

Companies that traditionally would have been found within the sacred square mile of the City of London can now be found in the countryside of Wales; on the banks of the River Dee in Cheshire; operating out of Northumberland.

The immediate advantages are obvious. Rents are cheap. Time getting to work is cut down.

But I believe it is the secondary benefits that are causing this migration. These include being able to breathe air instead of counting it, being able to send your children to schools where advanced mugging is not on the curriculum, the possibility of being able to stand and stare beneath the boughs, to stare as long as sheep or cows.

There is, indeed, a new age in business and it involves getting the hell out of the city. What has happened in Britain is that government has actively worked at getting companies to operate with offices distributed outside major cities.

Richard Williams, who is a business consultant in London specialising in this area, told me that although teleworking had a slow start, it had now got into stride. "There is now even a new word for an office in the country – 'flexiplace'," he said.

The Henley Centre for Forecasting, in a recent report, confirmed this – teleworking was perhaps over-estimated in its initial stages but has now come to fruition.

The National Economic Development Council in Britain has recently revised its estimate of the number of people teleworking to 1.5 million, one in 17 of the workforce.

As a percentage of office workers the figure of 1.5 million is, of course, much higher. And this is just for teleworking – people working part of the time from home. It takes no account of electronic cottages – centres in villages for out-workers, or distributed processing – used by companies moving their administration into the country.

STAR, which stands for special telecommunications action for regional development is sponsored partly by the EEC. It is making major strides in Northern Ireland, where companies are connected across the Irish seas to England by ISDN superfast telephone networks. The same is happening in Scotland with the Highlands and Islands development.

ONE British Government department has even laid down guidelines for teleworkers. Richard Williams said: "The social security department told its teleworkers that they should not wear pyjamas while working, should not watch telly during the day and shouldn't have computer games on their computers. The union complained that this was patronising but productivity was later reported to have increased by 60 per cent."

Recently, in Australia, I have been directly involved in a small way with teleworking and its benefits.

Athena Spathos has worked in my small publishing company since she left school. Now she is married and has a baby daughter.

Her husband works as a security guard and Athena finds it almost impossible to get a regular and inexpensive baby-sitting service so that she can continue to work.

I was discussing this problem over lunch with George Karabassis. He is the quiet achiever of the computer industry in Australia. His computer company, Total Peripherals, is equal second with IBM in desktop computer market-share in Australia.

He said the obvious answer to Anthena's problem was teleworking. Take a Total Peripherals 486 which is the exact duplicate of the one on her desk in the office, wire her in a modem and set up both machines with *PC Anywhere* so that they work in tandem. Problem solved.

He made it sound simple and easy. And, as it happened the problem was solved quickly and, yes, it was as easy as that.

Now Athena can work at home with her child and not have to worry about baby-sitters. She can see more of her husband than previously, which makes for a happy and contented home life.

This is teleworking at its best.

George Karabassis probably knows more about the realities of the personal computer industry in Australia than anyone else. He has built up Total Peripherals, a totally Australian-owned business which, although not widely known by name to the public, is the major independent player. Its projected turnover for this year is $140 million.

He is a great believer in the future of teleworking. "Some companies will benefit tremendously from teleworking," he said. People will be able to work at home. They'll be more productive. There'll be fewer commuters and a cleaner environment.

"But," he warned, "the teleworking concept is so advanced that people won't quickly see how revolutionary it can be."

(Source: *Sydney Morning Herald* 8 June 1992, p. 13)

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ACTIVITY 15

Examine the two newspaper clippings in this section on technology. What social values might retard the growth of the office at home?

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ISSUE 16

Enterprise bargaining and flexible work practices

The prospect of individual groups of employees and employers engaging in direct negotiations over wages, working conditions and work practices is not one which sits easily with Australia's history of industrial relations. Traditionally such issues have been negotiated by peak employee and employer groups, within a context of threatened government intervention and under the jurisdiction of a conciliator or arbitrator drawn from a central judiciary.

In recent years, however, there has been been a blossoming of interest in the concept of workers from individual enterprises dealing with their locally based managers in determining equitable agreements on wages, working conditions and work practices. Such agreements would be tailored to the needs of specific plants and constantly reviewed according to specific changes in the relevant product and labour markets. Arguing for the creation of a totally deregulated labour market, some New Right lobby groups have proposed a form of enterprise bargaining which is confined to direct deals between workers and employers. They see no significant role being played by unions, the judiciary or even the government. Other, more realistic lobby groups recognise the key roles which a trade union may perform when operating as a single unit at the enterprise level, to represent the interests of all employees.

In its purest form, enterprise bargaining involves a process of direct bargaining between workplace management and representatives of employees, leading to an agreement which covers the employees in a given workplace. The outcome of this bargaining would be an agreement which supersedes all other awards and agreements and covers all aspects of the work environment.

Implicit in this process is the notion that effective communication can take place between individuals at different levels within the organisation; that line supervisors will have an important role to play in facilitating two-way communication and that all members of the organisation will have highly developed skills in conflict resolution. In effect, enterprise bargaining represents a total change in work culture for many Australian workers. It represents a move away from centrally based awards arising from disputes between powerful representative groups. The locus of control and confrontation is moved closer to the shop floor where day-to-day decisions are made about working conditions.

NEWSBREAK

Risk of becoming 'hostage to good luck'

Work practices will decide nation's future

By SUE CANT

THIS country risked becoming a backwater with an indolent and complacent population unless it made big changes to work and management practices, a leading businessman said this week.

The managing director of Mayne Nickless Ltd, Mr Ian Webber, said unless there was a commitment to change within management of the private sector Australia's future would become a hostage to good luck.

Mr Webber was speaking at a National Summit on Management Skills in Melbourne.

Australian management techniques and work practices would need to advance more quickly in the next 10 years than they had in the past 30 years if they were to be internationally competitive.

Mr Webber warned that future living standards depended on this rapid change.

"The vision of Australia's future ... will only be achieved through the wealth creating private sector – and the private sector, in turn, will depend for its success on a new breed of managers," Mr Webber said.

Mr Webber said a new breed of managers would need to be flexible to cope in a more complex, internationally oriented world.

Private bureaucracies had become much leaner and more decentralised in the past 20 years and many of the larger companies had become more aware of international business practices, he said.

But he outlined key areas for the 1990s, such as enterprise bargaining, communication, flexibility of working arrangements and an increased commitment to training, on which management would depend for success.

Mr Webber . . . 'decentralised structures and enterprise bargaining will put a premium on communication skills'

Mr Webber, who is the former chairman of the employee relations committee for the Business Council of Australia, said that in the past managers had been able to distance themselves from the industrial-relations process.

The introduction of enterprise bargaining would mean that only those managers who took an active role in the process would succeed.

Union influence in organisations had occurred partly in response to a vacuum created by inadequate communication on the part of managers in the 1960s and 1970s.

"In this regard the 1990s must be different – decentralised structures and enterprise bargaining will put a premium on communication skills at all management levels," he said.

Managers who took advantage of changes such as flexitime would put themselves at a competitive advantage, as well as those who focused on education and training.

He recalled the visit of a chief executive from a European company who, to his surprise, had not identified the Australian work ethic as a problem but poor education and training.

"The conclusion I have reached is that for training to be beneficial in the long term it must be relevant and repeated," he said.

The secretary of the Department of Defence, Mr Tony Ayers, said that in the past 10 years there had been a dramatic turnaround in private and public sector attitudes towards education and training.

He cited the 10-point plan for the economy by business leaders published in *The Australian* on July 30.

References to the nature and level of education in Australia were unheard of five to 10 years ago, Mr Ayers said.

He made a pointed reference to business complaints about the government training levy.

"Any company that is finding it even slightly difficult to meet the 1 per cent expenditure on training will be out of business by 2001 and thoroughly deserves to be," he said.

"Companies such as IBM and Lend Lease who have put a lot of resources into training don't have altruism as a motive – they do it because it is good business and they receive a good return on their investment."

Mr Ayers said changes in public sector management had been "massive" but had not allowed for adequate training at management level.

"Changes at all levels of government have meant a greatly increased demand for training, particularly of middle managers," he said.

"We are deficient in training at the first-time supervisor-management level."

Efforts to improve training in the public sector were being made, he said.

(Source: *Australian* 24 Aug. 1991, p. 55)

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The current upsurge of interest in enterprise agreements and flexible work practices can be traced back to some local and overseas experiments in workplace democracy which were reported in the 1980s. The Business Council of Australia (1989) contributed to the debate by linking enterprise bargaining to the deregulation of financial markets. It argued that a move towards enterprise bargaining would help Australian industries to improve productivity and increase international competitiveness. As Neil Brown, former Liberal spokesperson on industrial relations has argued, in the *Weekend Australian* 4–5 May 1991, members of the conservative parties have been promoting enterprise bargaining since the mid-1980s. Successive Liberal leaders in the guise of John Howard and John Hewson have certainly continued this tradition.

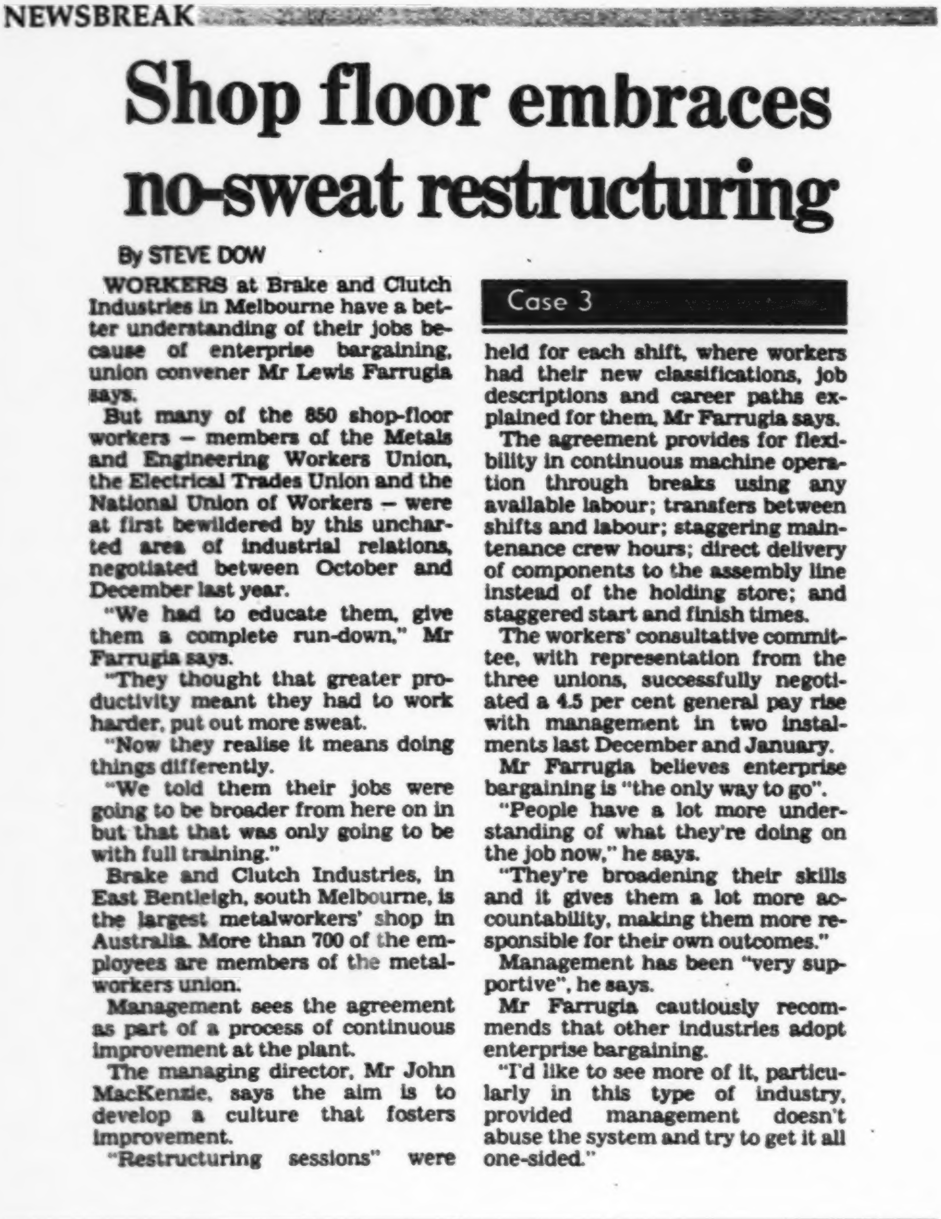
However, the most significant developments in recent times have arisen from the support given to the concept by specific unions, the ACTU and members of the Federal Labor Government. Their change of heart was clearly related to their push towards award restructuring, the apparent failure of existing industrial relations policies and the spectacular success of some unions in gaining concessions from industry on the basis of productivity increases. As late as May 1991, the Industrial Relations Commission was wavering in its support for enterprise bargaining but its landmark decision on 30 October 1991 changed all that. Significantly, it did not downgrade the importance of trade union representation in enterprise agreements, but it did open the door to more flexible structures.

Although this decision did not appease the sentiments of all significant lobby groups, it did set the agenda for the current debate. In particular it established the principles that: the primary responsibility for achieving successful bargains should remain with the direct parties; the parties should abide by mutually agreed outcomes and accept ongoing responsibility for reviews of these agreements; the Commission was to maintain a conciliatory role and also test the substance of agreements; and enterprise agreements were to be given the same status as awards.

Following the IRC decision, legislation was passed by the Federal Government and State Governments enshrining the concept of enterprise bargaining . Despite the apparent accord, it would not be true to say that enterprise bargaining had a trouble-free birth. By March 1992, in the federal arena, only about fifty enterprise agreements had been signed and this represented only 100 000 of Australia's 7 million wage and salary earners. However, in the four-month period following the IRC decision, some additional principles had been clarified:

- that unions should form a single unit when engaged in bargaining;
- that productivity improvements must be 'real' to justify wage increases;
- that the Commission would conciliate but not arbitrate;
- that deals could be approved under Section 115 of the Industrial Relations Act; and
- that another section of the Act allowed deals to be struck under consent awards.

Case 3



NEWSBREAK

Shop floor embraces no-sweat restructuring

By STEVE DOW

WORKERS at Brake and Clutch Industries in Melbourne have a better understanding of their jobs because of enterprise bargaining, union convener Mr Lewis Farrugia says.

But many of the 850 shop-floor workers – members of the Metals and Engineering Workers Union, the Electrical Trades Union and the National Union of Workers – were at first bewildered by this uncharted area of industrial relations, negotiated between October and December last year.

"We had to educate them, give them a complete run-down," Mr Farrugia says.

"They thought that greater productivity meant they had to work harder, put out more sweat.

"Now they realise it means doing things differently.

"We told them their jobs were going to be broader from here on in but that that was only going to be with full training."

Brake and Clutch Industries, in East Bentleigh, south Melbourne, is the largest metalworkers' shop in Australia. More than 700 of the employees are members of the metalworkers union.

Management sees the agreement as part of a process of continuous improvement at the plant.

The managing director, Mr John MacKenzie, says the aim is to develop a culture that fosters improvement.

"Restructuring sessions" were held for each shift, where workers had their new classifications, job descriptions and career paths explained for them, Mr Farrugia says.

The agreement provides for flexibility in continuous machine operation through breaks using any available labour; transfers between shifts and labour; staggering maintenance crew hours; direct delivery of components to the assembly line instead of the holding store; and staggered start and finish times.

The workers' consultative committee, with representation from the three unions, successfully negotiated a 4.5 per cent general pay rise with management in two instalments last December and January.

Mr Farrugia believes enterprise bargaining is "the only way to go".

"People have a lot more understanding of what they're doing on the job now," he says.

"They're broadening their skills and it gives them a lot more accountability, making them more responsible for their own outcomes."

Management has been "very supportive", he says.

Mr Farrugia cautiously recommends that other industries adopt enterprise bargaining.

"I'd like to see more of it, particularly in this type of industry, provided management doesn't abuse the system and try to get it all one-sided."

(Source: *Australian* 14–15 Mar. 1992, p. 11)

At the time of writing (i.e. in June 1992) it is obvious that enterprise bargaining has gained considerable momentum within Australian industries. Managers appear to be responding to the challenges of the recession, reductions in tariff protection, and rapid changes in world trade by seeking enterprise agreements with their employees. In doing so, they seem to be working from the assumption that enterprise agreements will:

- encourage employees to become more actively involved in improving workplace practices;
- encourage employees to display more commitment to their enterprises;

- provide employers with more flexibility in responding to market changes,
- lessen the impact of industrial disputes unrelated to the enterprise in question;
- improve workplace productivity; and
- enhance international competitiveness.

Considering the negative publicity given to some industrial disputes involving enterprise bargaining, it has not always been possible to highlight the success stories in this saga. However, there have been occasional reports highlighting agreements which have been negotiated at a variety of levels. Some of the agreements negotiated within smaller enterprises include those reported at Mosman Council in Sydney, Taubman's Paint Works, and the Sydney Harbour Tunnel Project. In one NSW instance, a successful 'bargain' was negotiated between Abbott Australasia Pty Ltd and the Electrical Trades Union (NSW). In that agreement, workers received a pay increase of $15 a week (about 3%). In return, Abbott's workers have been substantially upgrading their skills so that in the future, Abbott will use its own people for high-grade electrical and instrument calibration work. Further deals have been negotiated in larger enterprises such as ICI and broader levels involving the meat industry in Victoria and in Australian ports.

In a recent article which appeared in the *Sydney Morning Herald* of 17 June 1992 (Gittens 1992), economist Ross Gittens cited a range of apparently successful enterprise bargains which had been developed at a variety of levels in different states. In particular, Gittens mentioned agreements signed by the Ford and Toyota Motor Companies, Incitec (a subsidiary of ICI) which produces fertilisers and chemicals, Email's whitegoods plant at Orange in NSW, the Southern Cross Machinery works at Toowoomba, the Australian Newsprint Mills, the Bristol Paints plant, the Gordonstone Coal Mine in Queensland and the water heater division of the Rheem company. Gittens noted that many of these firms which had forged enterprise agreements had recently faced threats of closure, particularly from reductions in the level of tariff protection.

Enterprise agreements in the above-mentioned companies were often associated with the adoption of principles such as total quality management, semi-autonomous work groups, changes to sick leave arrangements, reduction in demarcation issues, reorganisation of working time arrangements and workers' acceptance of performance indicators. In most of these cases, union representatives formed single bargaining units to present the views of workers.

While Gittens's article presents some positive aspects of the move towards enterprise bargaining, it is patently obvious that the concept has gained some negative press with respect to the SPC and APPM issues. These cases involve a fruit cannery in Victoria and a paper mill in Tasmania.

Case 1: SPC —December 1990

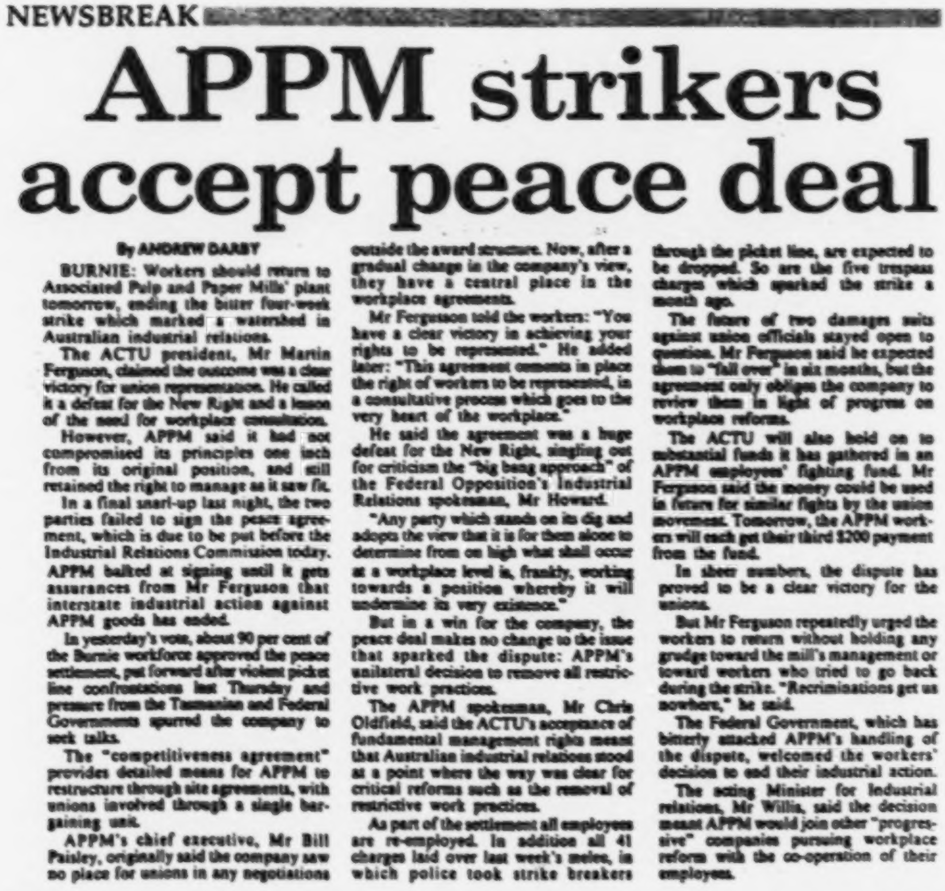
Towards the end of 1990, the managers of the Shepparton Preserving Company (SPC) in rural Victoria found that their industry was being affected by the general downturn in the economy and were on the point of winding up operations, or at the very least, dismissing a large number of loyal workers. Their reaction to this situation was to ask their workers to accept a reduction in working conditions in return for a promise of continued employment. Facing up to the hard realities of the situation, the workers at the shop floor level agreed to accept the cut in conditions.

However, when the wider union movement heard of the deal, they voiced their concerns about the fact that the SPC workers were apparently giving up some hard-won gains at a time when the economy was in decline. John Halfpenny of the Victorian Trades Hall Council entered the arena, along with conservative federal politicians. While the dispute was finally settled through the intervention of the IRC, Padraic McGuiness in the *Weekend Australian*, 5–6 January 1991, was moved to prophecy that 'Halfpenny's SPC victory marks the beginning of the end' for enterprise bargaining. You can judge for yourself whether Padraic was correct.

Case 2: APPM—May/June 1992

The APPM dispute, which developed at the Burnie paper mill in Tasmania, was primarily driven by the company's view that unions should have no role to play in any site agreements which are forged outside the award structure. The dispute had wide-ranging implications for the long-term success of enterprise bargaining and brought together some odd bedfellows. At one stage, the workers were being supported by the union movement, the ALP and the Tasmanian Liberal Government, but the Melbourne-based North Broken Hill–Peko resources company which owns the APPM mill, decided to stand firm on the issue that it retained the right to manage as it saw fit. Ironically, the dispute was over a competitiveness agreement but it is yet to be decided whether the final agreement forged between the company and the ACTU results in an improvement for either the company or its workers.

On a broader level, enterprise agreements have been criticised on both philosophical and practical grounds. When enterprise bargaining was first mooted by conservative forces in NSW, the NSW Labor Council distributed pamphlets suggesting that the practice would be used to exploit workers not represented by strong unions, to weaken the power of established unions and to advance a form of Thatcherism. As early as 1990, Meredith Burgmann cited by Curran (1990) in the *Australian Left Review* was sounding alarms that enterprise bargaining would work against the interests of women. She argued that women tended to belong to unions which were not as militant and thus had less power to forge enterprise agreements. She also argued that women had less experience in arguing at the shop floor level for improved work practices. In a recent article for the *Sydney Morning Herald* (15 June 1992), Julie Lewis reports that Jennie George has been echoing Burgmann's fears (Lewis 1992).



NEWSBREAK

APPM strikers accept peace deal

By ANDREW DARBY

BURNIE: Workers should return to Associated Pulp and Paper Mills' plant tomorrow, ending the bitter four-week strike which marked a watershed in Australian industrial relations.

The ACTU president, Mr Martin Ferguson, claimed the outcome was a clear victory for union representation. He called it a defeat for the New Right and a lesson of the need for workplace consultation.

However, APPM said it had not compromised its principles one inch from its original position, and still retained the right to manage as it saw fit.

In a final snarl-up last night, the two parties failed to sign the peace agreement, which is due to be put before the Industrial Relations Commission today. APPM balked at signing until it gets assurances from Mr Ferguson that interstate industrial action against APPM goods has ended.

In yesterday's vote, about 90 per cent of the Burnie workforce approved the peace settlement, put forward after violent picket line confrontations last Thursday and pressure from the Tasmanian and Federal Governments spurred the company to seek talks.

The "competitiveness agreement" provides detailed means for APPM to restructure through site agreements, with unions involved through a single bargaining unit.

APPM's chief executive, Mr Bill Paisley, originally said the company saw no place for unions in any negotiations outside the award structure. Now, after a gradual change in the company's view, they have a central place in the workplace agreements.

Mr Ferguson told the workers: "You have a clear victory in achieving your rights to be represented." He added later: "This agreement cements in place the right of workers to be represented, in a consultative process which goes to the very heart of the workplace."

He said the agreement was a huge defeat for the New Right, singling out for criticism the "big bang approach" of the Federal Opposition's Industrial Relations spokesman, Mr Howard.

"Any party which stands on its dig and adopts the view that it is for them alone to determine from on high what shall occur at a workplace level is, frankly, working towards a position whereby it will undermine its very existence."

But in a win for the company, the peace deal makes no change to the issue that sparked the dispute: APPM's unilateral decision to remove all restrictive work practices.

The APPM spokesman, Mr Chris Oldfield, said the ACTU's acceptance of fundamental management rights meant that Australian industrial relations stood at a point where the way was clear for critical reforms such as the removal of restrictive work practices.

As part of the settlement all employees are re-employed. In addition all 41 charges laid over last week's melee, in which police took strike breakers through the picket line, are expected to be dropped. So are the five trespass charges which sparked the strike a month ago.

The future of two damages suits against union officials stayed open to question. Mr Ferguson said he expected them to "fall over" in six months, but the agreement only obliges the company to review them in light of progress on workplace reforms.

The ACTU will also hold on to substantial funds it has gathered in an APPM employees' fighting fund. Mr Ferguson said the money could be used in future for similar fights by the union movement. Tomorrow, the APPM workers will each get their third $200 payment from the fund.

In sheer numbers, the dispute has proved to be a clear victory for the unions.

But Mr Ferguson repeatedly urged the workers to return without holding any grudge toward the mill's management or toward workers who tried to go back during the strike. "Recriminations get us nowhere," he said.

The Federal Government, which has bitterly attacked APPM's handling of the dispute, welcomed the workers' decision to end their industrial action.

The acting Minister for Industrial relations, Mr Willis, said the decision meant APPM would join other "progressive" companies pursuing workplace reform with the co-operation of their employees.

(Source: *Sydney Morning Herald* 10 June 1992, p. 3)

Also, Ross Gittens (*Sydney Morning Herald* 13 May 1991) drew upon the views of Dr Michael Deeley (ICI) and Professor Dick Blandy to clarify the link between productivity and enterprise bargaining. Gittens argued there may indeed be some short-term productivity gains which would result from workers giving up restrictive work practices. However, he warned that fundamental sources of productivity growth would only be addressed if more cooperation and trust was developed between managers and workers (Gittens 1991). Apparently the people at APPM did not read Gittens's article.

Finally, it might be relevant to examine some of the ramifications of enterprise bargaining for trainers and training. One of the most significant comments on this link has been made by Ian Webber, Managing Director of Mayne Nickless Ltd and former chairman of the industrial relations committee of the Business Council of Australia. As reported in the 'Investing In People' supplement of the *Weekend Australian* 24–25 August 1991, Ian Webber argued that the key areas for development of management practices in the 1990s were enterprise bargaining, communication, flexibility of working arrangements and an increased commitment to training.

With the advent of enterprise bargaining, trainers will need to develop communication and conflict-resolution skills at all levels within organisations.

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They will have to develop skills in identifying training needs at an enterprise level but they should avoid the risk of maintaining too narrow a focus. They should also be aware of competencies being developed in related and competing enterprises and in this area, it would appear that trainers' professional associations will have a vital role to play.

ACTIVITY 16

How can enterprise bargaining assist in the upskilling of the Australian workforce?

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ISSUE 17

Recession, redundancies and unemployment

In the last few years, we have witnessed a jobs purge leading to significant numbers of people being laid off, a veritable labour shake-out. Over the next decade, many more traditional jobs in manufacturing and the public sector will be lost. The world is changing and the Australian economy has little choice but to adjust to its new demands. Many workers will not be able to cope with the change—some may feel they are too old to learn new skills; some may be unwilling to relocate to where the jobs are; some will be simply left behind.

Some people feel that loss of employment is a form of social death with the principle of compulsory work acting as torment—forcing them to search for jobs that no longer exist and reinforcing a conviction that the unemployed are worthless and must be penalised.

There is an almost sadistic view that if whips and scorpions are applied to the unemployed, they will spring out of lethargy and take up employment. Therefore, it is argued, a punitive approach to unemployment is in the interests of the unemployed themselves. The majority of the unemployed are unskilled and poorly educated, faced with an economy in which unskilled, routine and repetitive jobs are declining. Forcing such people into short-term, meaningless, boondoggling jobs may be economically pointless but may be justifiable in social and psychological terms.

The work ethic is the 'Catch 22' of capitalism, our self esteem, and the opinion that others hold of us, is measured almost entirely by 'what we do' rather than 'what we are'. The extreme position asserts that work, however debased, is always good, while non-work, is bad; a form of humiliation and incapacity. There are winners and losers. But there is nothing inherently life-enhancing in performing boring and exhausting work, for example driving a bulldozer day after day. We ought to loosen the chains that bind people to work.

Unemployment and leisure are opposite sides of the same coin. Unemployment is identified with rejection, uselessness, dependence on others, poverty, deprivation and powerlessness. Leisure is identified with success and is sought and enjoyed. It provides the power to make choices.

Management training and education

Email uses program to overcome the recession

EMAIL Ltd, one of Australia's largest white goods manufacturers, is successfully using training to get through the recession by saving millions of dollars a year.

Email identified that there was a problem in the area of middle management.

There was an assumption that people who were excellent workers could be promoted to middle management without the need to be trained.

However, this did not prove to be the case.

Award restructuring highlighted the problem. Middle management's role has to change dramatically from one of directing employees to one of facilitating and training them.

The company examined training programs offered in the management area and decided to take on the "Xcellence – Critical Skills for Supervision", a program offered by Learning International.

Benefits seen immediately

The Xcellence course was the only one which involved both middle and senior management and it also provided the team building skills the company required.

In addition, an integral part of the course is the conduct of a key results project carried out by middle management in conjunction with senior management.

Initially, Email ran a pilot course at a large manufacturing site which generated measurable savings in the order of $500,000 that year.

As a result of the success of that pilot, the Xcellence program was accepted by all management and training started.

After four years of running the program, Email has trained more than 400 middle managers, with each participant saving the company money ranging from $4000 to $50,000-plus a year.

One example of a problem solved by the program was how to keep stock on hand down, yet allow the company to respond quickly to customer demand.

This problem required a dollar and time-saving solution in the first 12 months.

The outcome was to reduce set-up time by 2200 hours a year saving the company $48,000 annually.

Email's training and development manager, Mr Bryan Jones, said the company expected that each participant would continue to use the skills they had acquired to achieve similar savings on a continuous basis.

"The benefits of the training are immediate with people working better and able to achieve more," he said.

"The course gives participants good useable skills to solve problems and work better with people."

Although management has been impressed with the fiscal results, the team building and co-operative work improvements have been so large that they overshadow the dollar return.

Email is not experiencing high retrenchments or staff turnover as are so many other companies in this economic climate.

In Email's opinion, training is the answer and must not be cut during a financial downturn.

The results show that even in a time of recession, effective training such as the Xcellence program can soften its otherwise crippling blow and prepare the company for the resurgence when it arrives.

In addition to the Xcellence program, Email uses several Learning International courses in other areas of its staff training.

These include Professional Selling Skills, Quality Service Skills, Problem Analysis and Decision Making and Interpersonal Managing Skills.

During the past four years, Email has worked closely with Learning International's managing director, Mr Ron Allen, and his staff in evaluating the success of each program.

Always in the competitive forefront, Email was one of six recipients of the 1990 Employers Award for Training Excellence given by the NSW Industrial and Commercial Training Council.

The company has developed a training culture which allows employees on all levels to improve their skills and knowledge on the job.

In conjunction with award restructuring, employees will have a wider career opportunity within the organisation and security through performance improvement in the manufacturing sector for the 1990s and beyond.

(Source: *Australian* 17–18 Aug. 1991, p. 50)

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Futurologists predict that, within twenty years, only 10% of the labour force will be needed to produce all of society's demanded goods and services. We may face a model—a social pyramid of which the top echelon largely comprises a skilled meritocracy which works hard for high wages, and the lower part consists of the unskilled and semi-skilled who live in a condition of involuntary and unsought leisure because routine and repetitive work has been eliminated or significantly reduced. Today a large part of the community spends long hours in routine, unchallenging tasks.

If we take the clerk or the factory hand away from routine work—then, to survive, they will need to be creative, imaginative and adaptable. Does our new reliance on competencies now lead to the development of these skills?

According to the Director of the National Institute of Labour Studies at Flinders University, Professor Judith Sloan, there is a mismatch between where the new jobs are and where the workers are and who are now losing their jobs. She argues that labour mobility in Australia is not high and will result in a new underclass. She suggests that the new jobs may only turn out to be McDonald-type jobs—low-paid, low-skilled, casual jobs.

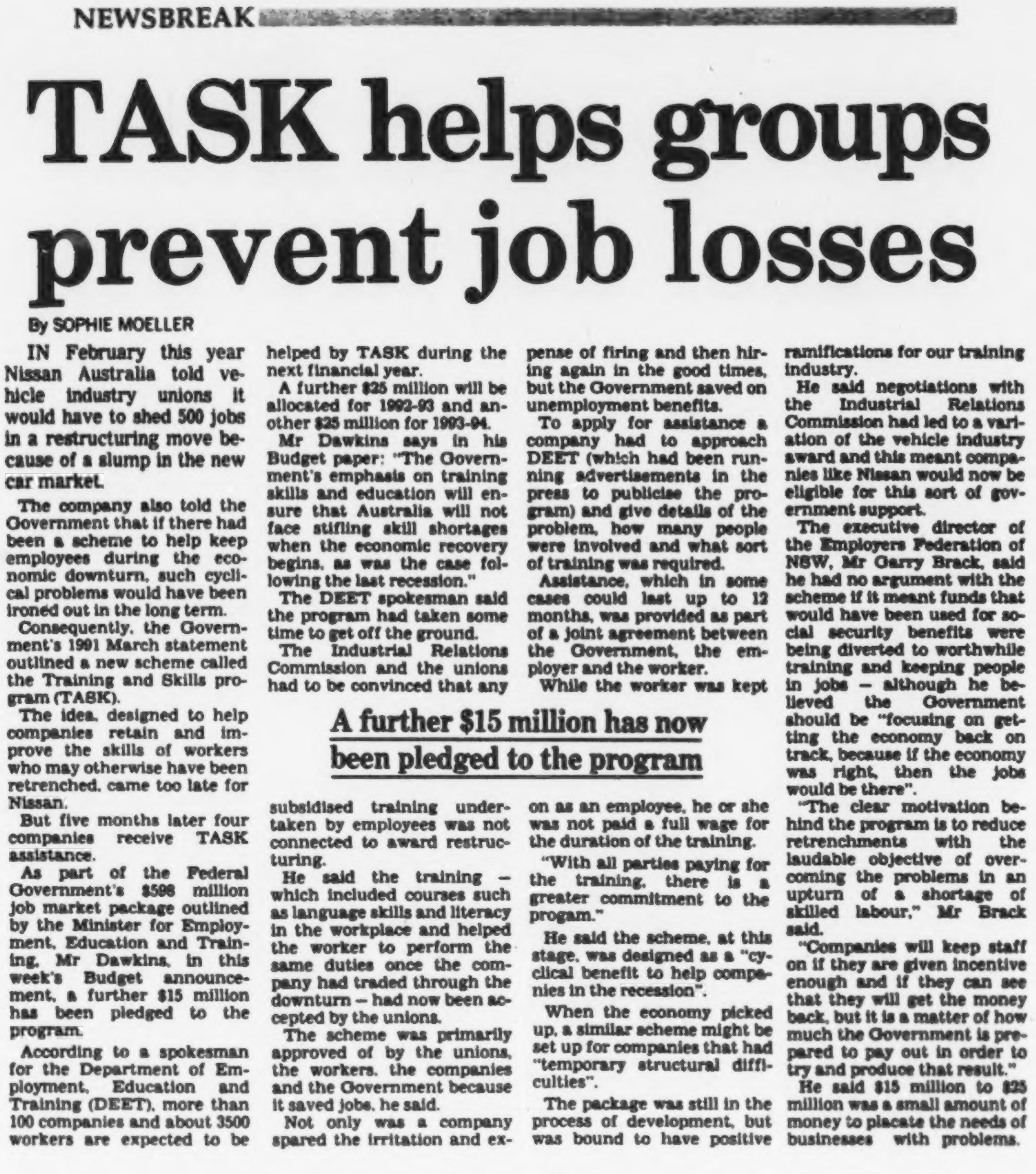
Most processing work is manual, semi-skilled, repetitive, casual, seasonal and subject to high rates of staff turnover. The problem is that many companies find it difficult to employ a permanent 'core' workforce. Therefore, despite the fact that employers might agree in principle to the need for further training, the increased labour costs which training would incur tend to be prohibitive with regard to casual workers.

In many industries, it is difficult to convince managers that it is people who are the long-term resource of the industry—not just the product or the service.

For industry to grow, staff need to train in order to keep abreast of technological changes. The question of maintaining a skills training program to maintain quality control is a real area of concern. Improving practices are based on developing the necessary awareness and skills through training.

In manufacturing industries, there is a constant problem of maintaining quality control throughout the manufacturing process. Codes of quality control assurance are dependent on a successful training base. Often a lack of training in product knowledge is closely related to problems of quality at the processing stage, and to the problem of obtaining the best return for the product at the retail stage. Most workers in manufacturing learn from observation and trial and error. This results in a costly process. Training can provide a good grounding and understanding of the nature of the job to be performed. People need training to increase product knowledge and to improve their work practices.

The Australian Traineeships System (ATS) set up by the Department of Employment, Education and Training (DEET) offers employees a program of structured training where they can spend 13 weeks attending TAFE courses as well as gaining 'on the job' instruction. However, some employers question the appropriateness of this traineeship format in a processing sector which tends to employ casual labour.



NEWSBREAK

TASK helps groups prevent job losses

By SOPHIE MOELLER

IN February this year Nissan Australia told vehicle industry unions it would have to shed 500 jobs in a restructuring move because of a slump in the new car market.

The company also told the Government that if there had been a scheme to help keep employees during the economic downturn, such cyclical problems would have been ironed out in the long term.

Consequently, the Government's 1991 March statement outlined a new scheme called the Training and Skills program (TASK).

The idea, designed to help companies retain and improve the skills of workers who may otherwise have been retrenched, came too late for Nissan.

But five months later four companies receive TASK assistance.

As part of the Federal Government's $598 million job market package outlined by the Minister for Employment, Education and Training, Mr Dawkins, in this week's Budget announcement, a further $15 million has been pledged to the program.

According to a spokesman for the Department of Employment, Education and Training (DEET), more than 100 companies and about 3500 workers are expected to be helped by TASK during the next financial year.

A further $25 million will be allocated for 1992-93 and another $25 million for 1993-94.

Mr Dawkins says in his Budget paper: "The Government's emphasis on training skills and education will ensure that Australia will not face stifling skill shortages when the economic recovery begins, as was the case following the last recession."

The DEET spokesman said the program had taken some time to get off the ground.

The Industrial Relations Commission and the unions had to be convinced that any subsidised training undertaken by employees was not connected to award restructuring.

A further $15 million has now been pledged to the program

He said the training – which included courses such as language skills and literacy in the workplace and helped the worker to perform the same duties once the company had traded through the downturn – had now been accepted by the unions.

The scheme was primarily approved of by the unions, the workers, the companies and the Government because it saved jobs, he said.

Not only was a company spared the irritation and expense of firing and then hiring again in the good times, but the Government saved on unemployment benefits.

To apply for assistance a company had to approach DEET (which had been running advertisements in the press to publicise the program) and give details of the problem, how many people were involved and what sort of training was required.

Assistance, which in some cases could last up to 12 months, was provided as part of a joint agreement between the Government, the employer and the worker.

While the worker was kept on as an employee, he or she was not paid a full wage for the duration of the training.

"With all parties paying for the training, there is a greater commitment to the progam."

He said the scheme, at this stage, was designed as a "cyclical benefit to help companies in the recession".

When the economy picked up, a similar scheme might be set up for companies that had "temporary structural difficulties".

The package was still in the process of development, but was bound to have positive ramifications for our training industry.

He said negotiations with the Industrial Relations Commission had led to a variation of the vehicle industry award and this meant companies like Nissan would now be eligible for this sort of government support.

The executive director of the Employers Federation of NSW, Mr Garry Brack, said he had no argument with the scheme if it meant funds that would have been used for social security benefits were being diverted to worthwhile training and keeping people in jobs – although he believed the Government should be "focusing on getting the economy back on track, because if the economy was right, then the jobs would be there".

"The clear motivation behind the program is to reduce retrenchments with the laudable objective of overcoming the problems in an upturn of a shortage of skilled labour," Mr Brack said.

"Companies will keep staff on if they are given incentive enough and if they can see that they will get the money back, but it is a matter of how much the Government is prepared to pay out in order to try and produce that result."

He said $15 million to $25 million was a small amount of money to placate the needs of businesses with problems.

(Source: *Australian* 24–25 Aug. 1991, p. 54)

Employers resent paying levies for training even when workers carry out their three months training in a TAFE course in the 'off season'. Although employers are subsidised for this, many are still unwilling.

The perception that processing industries inevitably create opportunities for casual occupations dependent on the availability of the raw product, is an outcome of the 'cottage industry' mentality. The problem is that no industry can reach its potential without a skilled and knowledgeable workforce and in order to develop this, it requires continuity of employment. Obviously, better planning and thorough product diversification can help to minimise the degree of casual employment.

At the management level, business, marketing and administrative skills are often lacking even in larger companies. Some industries have moved from being cottage industries to large corporations, without upgrading their training programs.

The problem is that new technologies require new sets of skills and it is the mix of skills that will be constantly changing. The demand for technically and professionally skilled personnel will grow, and the need for unskilled and semi-skilled labour will decrease significantly over time.

In some overseas countries, staff are given three to six months of training before they join the production line. For example, in New Zealand and Iceland, fish processing factories provide staff training for up to six months prior to entry onto the job. Part of the problem is that very few manufacturing industries offer any sort of a career structure. Workers need to be encouraged to be trained and committed to take pride in their work especially when their skills are appreciated.

Much change is taking place in administrative and management areas due to an increase in information technologies but little change is taking place on processing lines.

Staff turnover is a major difficulty in less glamorous industries. As a result there is a disincentive for employers to invest in training. A better career structure, or some other way of recognising skills, is a necessity for motivation of staff.

The Department of Employment, Education and Training (DEET) has introduced a skills program (TASK) to assist companies considering retrenchment or planning to retrench staff or reduce their working hours. TASK offers employers financial help and allows them to retain staff, provided that a joint effort toward training is made by management, employees and DEET.

ACTIVITY 17

Job redesign can overcome problems of high staff turnover, boredom, and lack of career paths but it can also create new difficulties such as worker stress. Can you cite any evidence of this?

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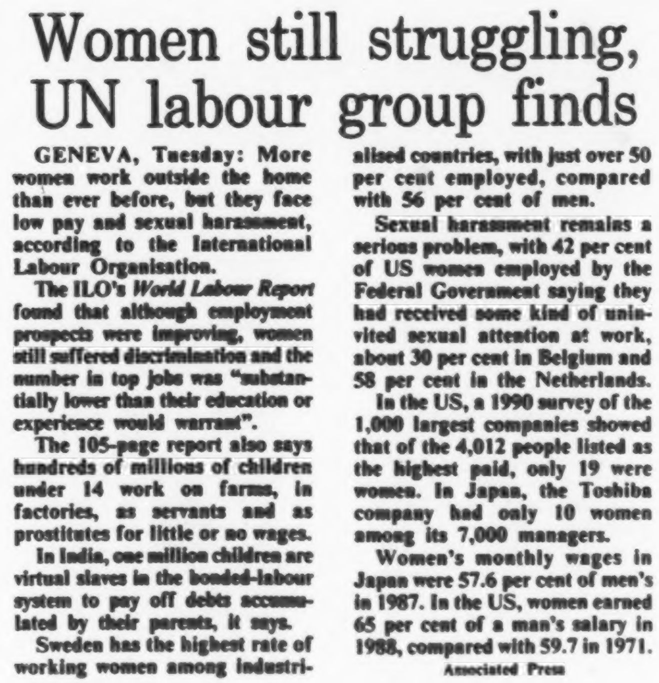
ISSUE 18

Women and training

Gender inequality remains a persistent problem in Australian society. Figures released by the Australian Bureau of Statistics in March 1992 highlighted the discrepancy between male and female earnings with the male full-time adult weekly rate standing at $654.20 and the female rate at $527.40. However, over the previous twelve-month period, female earnings have increased at a faster rate than those of males. Although women now make up more than 50% (40% full-time and 70% part-time) of the workforce they are concentrated in low-paid sections of the occupational hierarchy and in traditionally female-based occupations such as retail and community services.

NEWSBREAK



Women still struggling, UN labour group finds

GENEVA, Tuesday: More women work outside the home than ever before, but they face low pay and sexual harassment, according to the International Labour Organisation.

The ILO's *World Labour Report* found that although employment prospects were improving, women still suffered discrimination and the number in top jobs was "substantially lower than their education or experience would warrant".

The 105-page report also says hundreds of millions of children under 14 work on farms, in factories, as servants and as prostitutes for little or no wages.

In India, one million children are virtual slaves in the bonded-labour system to pay off debts accumulated by their parents, it says.

Sweden has the highest rate of working women among industrialised countries, with just over 50 per cent employed, compared with 56 per cent of men.

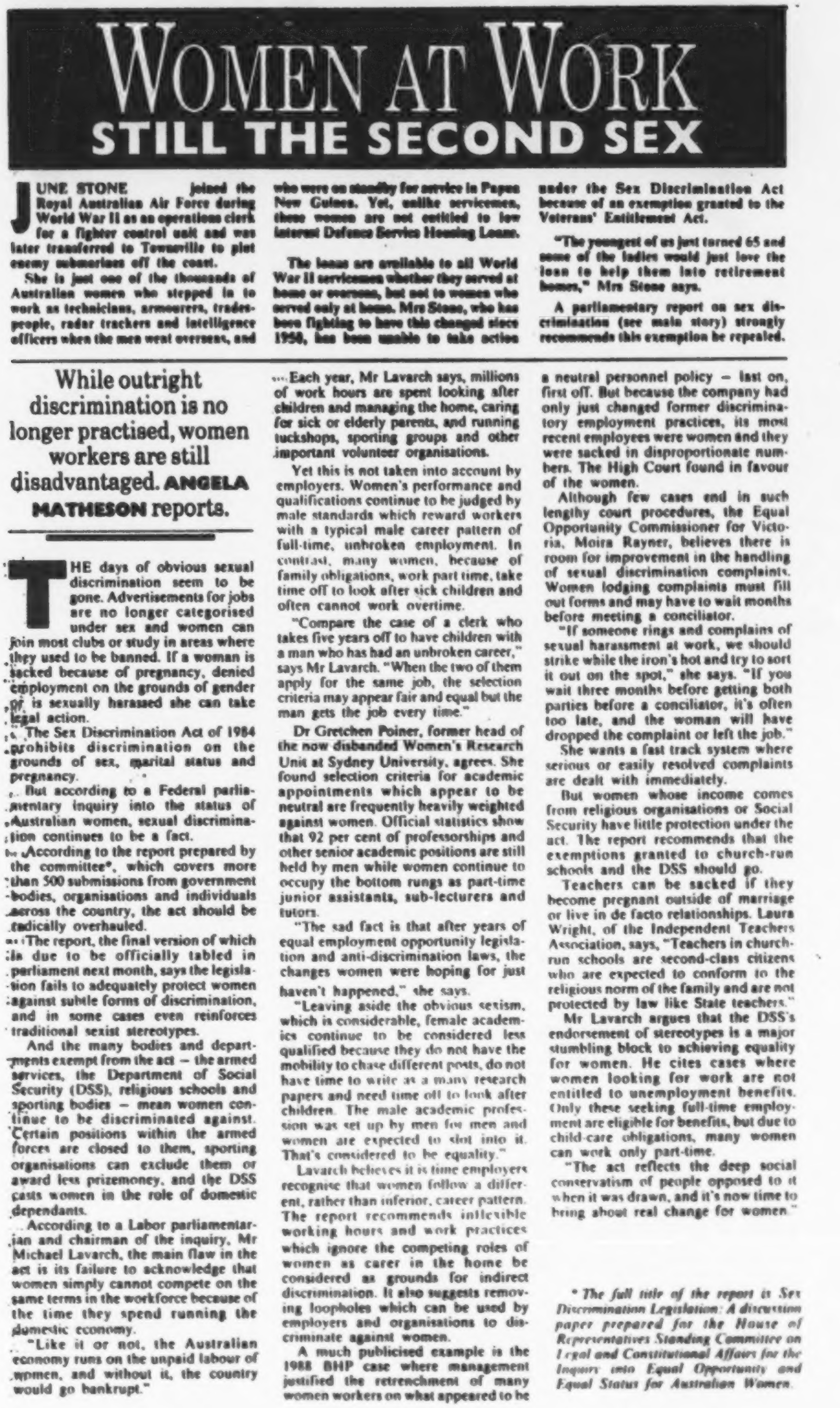
Sexual harassment remains a serious problem, with 42 per cent of US women employed by the Federal Government saying they had received some kind of uninvited sexual attention at work, about 30 per cent in Belgium and 58 per cent in the Netherlands.

In the US, a 1990 survey of the 1,000 largest companies showed that of the 4,012 people listed as the highest paid, only 19 were women. In Japan, the Toshiba company had only 10 women among its 7,000 managers.

Women's monthly wages in Japan were 57.6 per cent of men's in 1987. In the US, women earned 65 per cent of a man's salary in 1988, compared with 59.7 in 1971.

Associated Press

(Source: *Sydney Morning Herald* 3 June 1992, p. 16)



WOMEN AT WORK
STILL THE SECOND SEX

JUNE STONE joined the Royal Australian Air Force during World War II as an operations clerk for a fighter control unit and was later transferred to Townsville to plot enemy submarines off the coast.

She is just one of the thousands of Australian women who stepped in to work as technicians, armourers, tradespeople, radar trackers and intelligence officers when the men went overseas, and who were on standby for service in Papua New Guinea. Yet, unlike servicemen, these women are not entitled to low interest Defence Service Housing Loans.

The loans are available to all World War II servicemen whether they served at home or overseas, but not to women who served only at home. Mrs Stone, who has been fighting to have this changed since 1950, has been unable to take action under the Sex Discrimination Act because of an exemption granted to the Veterans' Entitlement Act.

"The youngest of us just turned 65 and some of the ladies would just love the loan to help them into retirement homes," Mrs Stone says.

A parliamentary report on sex discrimination (see main story) strongly recommends this exemption be repealed.

While outright discrimination is no longer practised, women workers are still disadvantaged. **ANGELA MATHESON** reports.

THE days of obvious sexual discrimination seem to be gone. Advertisements for jobs are no longer categorised under sex and women can join most clubs or study in areas where they used to be banned. If a woman is sacked because of pregnancy, denied employment on the grounds of gender or is sexually harassed she can take legal action.

The Sex Discrimination Act of 1984 prohibits discrimination on the grounds of sex, marital status and pregnancy.

But according to a Federal parliamentary inquiry into the status of Australian women, sexual discrimination continues to be a fact.

According to the report prepared by the committee*, which covers more than 500 submissions from government bodies, organisations and individuals across the country, the act should be radically overhauled.

The report, the final version of which is due to be officially tabled in parliament next month, says the legislation fails to adequately protect women against subtle forms of discrimination, and in some cases even reinforces traditional sexist stereotypes.

And the many bodies and departments exempt from the act – the armed services, the Department of Social Security (DSS), religious schools and sporting bodies – mean women continue to be discriminated against. Certain positions within the armed forces are closed to them, sporting organisations can exclude them or award less prizemoney, and the DSS casts women in the role of domestic dependants.

According to a Labor parliamentarian and chairman of the inquiry, Mr Michael Lavarch, the main flaw in the act is its failure to acknowledge that women simply cannot compete on the same terms in the workforce because of the time they spend running the domestic economy.

"Like it or not, the Australian economy runs on the unpaid labour of women, and without it, the country would go bankrupt."

Each year, Mr Lavarch says, millions of work hours are spent looking after children and managing the home, caring for sick or elderly parents, and running tuckshops, sporting groups and other important volunteer organisations.

Yet this is not taken into account by employers. Women's performance and qualifications continue to be judged by male standards which reward workers with a typical male career pattern of full-time, unbroken employment. In contrast, many women, because of family obligations, work part time, take time off to look after sick children and often cannot work overtime.

"Compare the case of a clerk who takes five years off to have children with a man who has had an unbroken career," says Mr Lavarch. "When the two of them apply for the same job, the selection criteria may appear fair and equal but the man gets the job every time."

Dr Gretchen Poiner, former head of the now disbanded Women's Research Unit at Sydney University, agrees. She found selection criteria for academic appointments which appear to be neutral are frequently heavily weighted against women. Official statistics show that 92 per cent of professorships and other senior academic positions are still held by men while women continue to occupy the bottom rungs as part-time junior assistants, sub-lecturers and tutors.

"The sad fact is that after years of equal employment opportunity legislation and anti-discrimination laws, the changes women were hoping for just haven't happened," she says.

"Leaving aside the obvious sexism, which is considerable, female academics continue to be considered less qualified because they do not have the mobility to chase different posts, do not have time to write as a many research papers and need time off to look after children. The male academic profession was set up by men for men and women are expected to slot into it. That's considered to be equality."

Lavarch believes it is time employers recognise that women follow a different, rather than inferior, career pattern. The report recommends inflexible working hours and work practices which ignore the competing roles of women as carer in the home be considered as grounds for indirect discrimination. It also suggests removing loopholes which can be used by employers and organisations to discriminate against women.

A much publicised example is the 1988 BHP case where management justified the retrenchment of many women workers on what appeared to be a neutral personnel policy – last on, first off. But because the company had only just changed former discriminatory employment practices, its most recent employees were women and they were sacked in disproportionate numbers. The High Court found in favour of the women.

Although few cases end in such lengthy court procedures, the Equal Opportunity Commissioner for Victoria, Moira Rayner, believes there is room for improvement in the handling of sexual discrimination complaints. Women lodging complaints must fill out forms and may have to wait months before meeting a conciliator.

"If someone rings and complains of sexual harassment at work, we should strike while the iron's hot and try to sort it out on the spot," she says. "If you wait three months before getting both parties before a conciliator, it's often too late, and the woman will have dropped the complaint or left the job."

She wants a fast track system where serious or easily resolved complaints are dealt with immediately.

But women whose income comes from religious organisations or Social Security have little protection under the act. The report recommends that the exemptions granted to church-run schools and the DSS should go.

Teachers can be sacked if they become pregnant outside of marriage or live in de facto relationships. Laura Wright, of the Independent Teachers Association, says, "Teachers in church-run schools are second-class citizens who are expected to conform to the religious norm of the family and are not protected by law like State teachers."

Mr Lavarch argues that the DSS's endorsement of stereotypes is a major stumbling block to achieving equality for women. He cites cases where women looking for work are not entitled to unemployment benefits. Only these seeking full-time employment are eligible for benefits, but due to child-care obligations, many women can work only part-time.

"The act reflects the deep social conservatism of people opposed to it when it was drawn, and it's now time to bring about real change for women."

** The full title of the report is Sex Discrimination Legislation: A discussion paper prepared for the House of Representatives Standing Committee on Legal and Constitutional Affairs for the Inquiry into Equal Opportunity and Equal Status for Australian Women.*

(Source: *Sydney Morning Herald* 3 Mar. 1992, p. 13)

BEST COPY AVAILABLE

Almost 55% of women are employed in the three occupational categories of clerks, salespersons and personal service workers. Many jobs within the labour market have been exclusively designed for males or females. Many occupations not only help to create occupational identity, behaviour and consciousness but in fact reinforce gender images and stereotypes. At the structural level of society, many occupations accommodate the female. For example, the so-called 'helping' professions such as teaching, nursing and social work have tended to reinforce the domesticated and subordinate positions of female workers. These occupations have traditionally been differentiated along gender lines.

In those industries where women are dominant, moves towards restructuring have been slow except in the public sector. In the blue collar area, employers fear they will experience great difficulties in reorganising rosters, holiday pay and sickness benefits as well as loss of control over workers if they employ females. Opportunities for retraining have been minimal. Employees have not been encouraged to retrain so that they can be absorbed into new job levels with different and more complex skill classifications.

Other concerns have begun to surface. As many women work in small businesses, the opportunities for multi-skilling are reduced. There is a perception that because women record high turnover rates, and because they traditionally enter, leave and re-enter the workforce, training is given a low priority. This attitude keeps some women in low-skilled occupations and hinders their opportunities for job enhancement.

Many women can also be disadvantaged in their access to on-the-job training, not only because of their intermittent commitment to work but also because training is provided in-house and staff must have considerable experience before the company will spend money on training them to achieve higher levels.

As well, if women have had a period of time away from work, they may experience great difficulty re-entering the workforce at their previous skill level because few industries have accreditation schemes which recognise previous job training or prior learning.

ACTIVITY 18

Why is female participation in many training courses still relatively low?

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ISSUE 19

Youth and employment

Since the 1970s, Australia has been experiencing increasing levels of unemployment. Structural unemployment, resulting from changes in the economic structure of our society, is moving toward the depressed conditions of the inter-war years of the 1920s and 1930s and is expected to remain high during the 1990s.

Currently (as of June 1992) there is a 10.6% level of unemployment—with 906 000 people out of work. One of the major groups to feel the impact of high levels of unemployment is Australia's youth. Claims have been made that one in three teenagers in Australia is out of work, with little prospect of finding meaningful employment in the near future. The Australian Prime Minister claims that the figure is closer to 10%. Whatever the real figure, the question needs to be asked whether we are producing a lost generation or is that just a myth? In February 1992, youth joblessness reached 32.7%, up 14.5% from the end of 1989. In Victoria, nearly half of people aged between 15 and 19 years who want a job are unemployed. What will happen to these young people?

A major report, compiled by a coalition of government funded youth services in Australia, entitled *A Living Income*, was released in May 1992 (Robinson 1992). It found that the social security system was helping to keep Australia's youth in poverty by failing to target young people in need. The report urged an immediate relaxation of the testing and review process which unemployed youth experience under the Job Search and Newstart programs.

The reality is that the types of jobs and numbers of jobs that were previously available to young school leavers no longer exist to the extent that they did in the postwar decades. But youth unemployment is not a new phenomenon. According to Sweet (1980) and Windschuttle (1979) it began in the 1970s, over a decade ago. Sweet (1980) argued that the most dramatic decline in youth employment occurred during the period 1966 to 1971, but that it remains a major structural problem for the labour market.

Despite dramatic increases in unemployment levels over the past decade, the Youth Services Report (Robinson 1992) argues that the take-up rates for benefits are lower now than they were in 1983 and that Australia's spending on income support is among the lowest in the developing countries.

NEWSBREAK

Youth unemployment mainly mirage

ROSS GITTINS

I DON'T normally admit this – it's an unmacho thing to say – but I'm a great believer in parenthood. I believe in motherhood, naturally, but I also believe in fatherhood.

Becoming a father is a shock to the system and a yoke to the back. But you get used to it and, as you do, you realise it has its compensations. One advantage is that it gives you a licence to be childish; to do things you haven't done since you were a kid.

You can relive the things you remember enjoying, or go back and do what you missed out on. The beauty of being an adult child is that, at last, *you* have control of the budget.

My first ankle-biter is a shoulder-biter these days. But in the days before Nanny State banned fireworks, I remember my first cracker night for about 20 years. I spent a fortune getting all the good stuff and we had a terrific time letting it off in the backyard. Well, I did; my son, who must have been about two, ran inside to his mum after the first bang.

Another fascination of fatherhood is realising your kids are so like you in some respects, but so unlike you in others. And they can be so different from each other. I'm hardly the first to discover that, but discovering it for yourself adds a dimension to your life that non-parents will never know.

I suspect that parenthood does much to explain our intense concern about unemployment. If we're not worried about losing our own jobs, we're worried about the prospects for our kids. Even if our own kids aren't a worry, many of us feel more for the young jobless than for old lags. Indeed, many see unemployment as mainly a problem of youth unemployment.

It's not hard to see why. In February, the youth unemployment rate – that is, joblessness among 15- to 19-year-olds – reached 32.7 per cent. That's up from 14.5 per cent at the end of 1989. And when the March figure is announced tomorrow it's a safe bet it'll be up again.

You can see why people worry that we're producing a lost generation: one in three teenagers out of work, with little prospect of finding it in the foreseeable future. The youth unemployment rate will probably have improved only a little in a year's, even two years', time. When you're jobless that long, what hope of ever finding work?

If you think that way, I have good news: youth unemployment is certainly a problem, but the "lost generation" is, thankfully, a myth. It's a product of misconceptions about the way unemployment is measured. Stand by for some facts and figures that may shatter your preconceived ideas.

It is true that the youth unemployment rate is 32.7 per cent, but it doesn't follow that one in three teenagers is out of work. The unemployment *rate* compares the number of people unemployed with the number of people in the labour force. But most of our teenagers aren't in the labour force (not the full-time labour force, anyway).

In February there were 1.3 million Australians aged 15 to 19. About 61 per cent was in full-time education, either at school (45 per cent) or at universities and TAFE (16 per cent). Of the rest, only a minority was unemployed.

Of the more than 590,000 kids at school, 24 per cent had part-time jobs and another 6 per cent was looking for jobs. Of the 220,000 kids in full-time tertiary study, 36 per cent had part-time jobs and another 10 per cent was looking for them. So a lot of our kids are in the labour force, but not the full-time labour force.

It works out that, of the 1.3 million 15- to 19-year-olds in the population, only 147,000 (including 20,000 in full-time education) were seeking full-time jobs. So only 11 per cent of our teenagers were unemployed in February. That compares with 8.5 per cent in 1980. And it's one in nine teenagers out of work, not one in three.

That's serious enough, surely? Of course. But the "lost generation" myth rests on a second misconception. This is the notion that, if the youth unemployment rate is 33 per cent today and has fallen only to, say, 30 per cent in two years' time, this means 30 per cent has been unemployed for at least two years.

It doesn't mean that at all. The unemployment total is like a snapshot of the labour force, taken at a point in time. When you compare a photo taken today with one taken in two years' time, you may find the number of people in each photo is pretty much the same, but you also find that almost all the faces are different.

Many people assume that if the level of unemployment rises from one month to the next, and the level of employment falls, that means all those unemployed at the end of the first month have stayed unemployed and been joined by people who lost their jobs in the second month.

It doesn't work like that. The fact is that, even when employment is falling and unemployment is rising – even during the depths of recession – there are still some people finding jobs and ceasing to be unemployed each month.

It's just that they're outnumbered by the people losing jobs and becoming unemployed during the month. The totals for employment and unemployment at the end of each month show only the *net* change from month to month. They tell you nothing about how many of the faces have changed during the month.

For instance, at least 54,000 people (of all ages) who were unemployed in January found jobs in February, even though *total* unemployment rose.

Back to the teenagers. The public perception of many youngsters being unemployed year after year is about the opposite of the truth. Long-term unemployment – that is, being unemployed for more than a year – is a serious problem (to me, it's the worst aspect of the lot), but it's much more a problem for older workers than teenagers.

In February, 311,000 people had been unemployed for a year or more. But teenagers accounted for only 14 per cent of this number, whereas workers aged over 35 accounted for 44 per cent.

Among unemployed teenagers in February, almost a third had been jobless for fewer than eight weeks, and less than a third had been jobless for more than six months. The median length of unemployment was 11 weeks (compared with 30 weeks for people aged 35 to 54).

Translating that to our 1.3 million teenagers, only 5 per cent – one in 20 – had been unemployed for more than six months. (And that includes some kids in full-time education who've been looking for part-time work.)

Please be clear: I'm not trying to explain away the problem of youth unemployment. Rather, I'm making sure we define and measure it accurately, to give us a better idea of what we should be doing about it.

For a small minority of our kids, unemployment is a real problem. It's not that many of them go years without a job; it's more that many of them are in and out of jobs. They end up being more out than in; the first to be laid off and the last to be rehired.

When you look at those teenagers with chequered employment histories you usually find they left school early and have poor levels of literacy and numeracy. (The figures show a strong inverse relationship between level of educational attainment and rate of unemployment.) These "at risk" teenagers often come from disadvantaged homes and they may have picked up a few attitude problems.

People haven't twigged that full-time employment is no longer the norm for teenagers. Since 1981, the proportion of the teenage population in full-time employment has fallen from 41 to 20 per cent. Rising youth unemployment explains only a fraction of that trend; the real reason is the dramatic rise in participation in education.

> ‘I have good news: youth unemployment is certainly a problem, but the "lost generation" is, thankfully, a myth.’

(One last startling statistic: because fewer youths are entering the full-time labour force these days, the *number* of unemployed teenagers in February this year was actually 35,000 lower than in February 1983, when youth unemployment was near its peak in the 1982-83 recession. Think about that.)

This trend represents a fall in employers' demand for young, low-qualified, full-time workers and a fall in their supply, as kids (and their oldies) chose to stay on in education.

So the nation's parents are already working on the solution to the youth unemployment problem: encourage your kid to go on in education, so that when he (or she) finally enters the job market, he'll be more employable.

The hard core of the problem is those kids who quit early, with poor skills. We must encourage them to stay on. But that needs something more enticing than the regimentation of regular schooling (an example is my mate's Secondary Schools/TAFE Program).

And there's no point unless they emerge from the system with their skills up to scratch. If we really care about youth unemployment, that's the sort of thing we'll be doing for our kids.

(Source: *Sydney Morning Herald* 8 Apr. 1992, p. 15)

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In February 1992 the Prime Minister announced the 'One Nation' package which promises to create an extra 800 000 jobs by 1995 and a nationalising of the TAFE system to improve training. Other estimates of employment project an increase of 7.7 million to 9.6 million by the year 2000—but these figures might be wishful thinking.

In June 1992 the Prime Minister announced a Youth Job Summit to be held in July with the aim of examining measures to combat the alarmingly high rate of youth unemployment. High on the government's agenda is the concept of the youth wage—first proposed in the Carmichael Report. Under the Carmichael proposals, young workers attending training would be paid by their employers for productive time only, with the government subsidising the training component of their wage at a total cost of $300 million a year.

ACTIVITY 19

Keep a journal/newsclippings file on government initiatives to redress youth unemployment during this current year.

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ISSUE 20

Jobs in the future

In this current employment situation characterised by the push toward training and retraining, two questions legitimately need to be asked: What are we training people for? and What are the jobs of the future? We must ask ourselves whether our current drive toward skilling and competencies is based on very poor information about what the future may look like. However, it is very difficult to make accurate predictions of what is likely to happen in the future. Of course once forecasts are made, it is likely that this will influence the outcome of what is forecast.

The DEET report *Australia's Workforce in the Year 2001* (Department of Employment, Education and Training 1991) maps out the implications of a range of economic, demographic and educational trends for our workforce in the next decade. The scenarios mapped out by 'Workforce 2001' must be viewed as the result of factors that are known, or about which informed judgements can be made, rather than predictions of what will occur.

'Workforce 2001' suggests that employment will grow fastest in sectors such as recreation and personal services, building and construction, wholesale and retail trade, community services, health and public administration. Employment is expected to contract in agriculture and electricity, gas and water supply. The best prospects are thought to be for professionals, sales workers and trades people, while those with the poorest prospects are machine operators and labourers.

The key findings and projections of the report include the following:

- The average worker will be older.
- Women will make up a higher proportion of the workforce.
- A greater proportion of jobs will be part-time.
- The proportion of workers with post-school qualifications will rise from 33% to 47%.
- New jobs will emerge in tourism, finance, community and household services.
- Employment over the period will decline in the rural sector, machine operating and general labouring.

- In the long run, 42% of the workforce will be information workers.
- A different skill level will be required—better, flexible and mobile.

NEWSBREAK

YEAR 2001: Where the jobs will be

BRUCE JONES reports.

FARM labourers will be an endangered species in the year 2001 while psychologists will be booming in numbers, according to a new government study.

The study, *Australia's Workforce In The Year 2001*, forecasts where the jobs will be at the turn of the century.

The report, by the Department of Employment, Education and Training, predicts:

- ● The average worker will be older, women will make up a higher proportion of the workforce and a greater proportion of jobs will be part-time;
- ● The proportion of the workforce with post-school qualifications will rise from 33pc at the start of the 1990s to 47pc in the year 2001; and
- ● The average job created between 1991 and 2001 will be more skilled than about three-quarters of all jobs in 1986.

Employment is expected to grow fastest in recreation and personal services, building and construction, wholesale and retail trade, community services and health and public administration.

The fastest growing job is expected to be psychology, with a 93pc rise in employment forecast in the decade.

The job expected to contract the most is farm labourer, with a 16.8pc fall in job numbers predicted by 2001.

Employment is projected to contract in agriculture and, because of micro-economic reform, there could be substantial retrenchments in electricity, gas and water and parts of manufacturing.

Occupations with the best prospects are professions, sales and trades. The poorest prospects are for machine operators and labourers.

The study warns this will place pressure on migrants with no marketable skills. The labour market position of Aborigines will also deteriorate unless younger Aborigines can take advantage of the expanding education system.

Older people laid off who have no readily marketable skills and who are in disadvantaged regions will be vulnerable to long-term unemployment – as many are finding out already.

The report warned that unless productive use was made of a better-educated workforce, the expanded skill base would be used simply as a justification by employers to raise their minimum educational standards for recruitment.

Former Science Minister Barry Jones believes there will be considerable growth in and around information services.

Mr Jones is chairman of the the House of Representatives Standing Committee on Long Term Strategies, which earlier this year published the report, *Australia as an Information Society*.

"In our long-term strategies report we say that 42pc of the labour force will be information workers," he said.

"We say Australia is an information society already but a rather passive one – we don't do very much with the skills we've got."

The report recommends that Australia's skills, research capacity and English language base should be used to develop information-related industries.

Examples include biotechnology, pharmaceutical, information and communications technology, specialised engineering/manufacturing, education, banking, insurance services and environmental improvement.

"One of the areas where I think we have tremendous potential, if only we pulled our finger out, is the provision of the sort of goods and services that make cities livable," Mr Jones said.

"Things like water quality, sewage treatment, intractable waste disposal ... we are actually pretty skilled at them and there's an exponential increase in demand world-wide.

"We could do it. We could be employing scores of thousands of highly-qualified people – but somehow we seem to lack the gumption to put these things together."

Mr Jones said Australia's education system should be training people to use their brains – "something we have not been in the habit of doing".

Susan Oliver, managing director of the Commission for the Future, is worried that today's employment decisions are based on very poor information about what the future may look like.

She also believes our education system is too rigid.

Ms Oliver said: "We are going to need to have a labour force that is very flexible and very adaptive to change and very responsive to learning."

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JOBS IN THE FUTURE

(Projected employment growth by occupation, 1991-2001)

OCCUPATION	TOTAL EMPLOYMENT GROWTH 1991-2001	EMPLOYMENT	
		1986	2001
MANAGER			
1 Legislators/govt officials	29.0pc	1,895	4,175
2 General managers	19.0pc	34,428	61,772
3 Specialist managers	16.9pc	187,679	214,042
4 Farmers and farm managers	-10.9pc	261,268	218,886
5 Managing supervisors	28.2pc	297,428	485,894
TOTAL	**12.1pc**	**782,697**	**974,769**
PROFESSIONALS			
6 Geologists and geophysicists	12.8pc	4,477	4,041
7 Other natural scientists	30.2pc	27,199	44,236
8 Architects/landscape architects	31.0pc	9,590	13,800
9 Quantity surveyors	21.8pc	1,635	1,428
10 Cartographers/surveyors	16.1pc	7,301	10,430
11 Chemical engineers	28.4pc	1,949	2,859
12 Civil engineers	28.9pc	18,933	33,829
13 Electrical/electronic engineers	30.0pc	19,894	41,427
14 Mechanical engineers	25.9pc	11,991	24,542
15 Mining engineers	38.6pc	1,900	6,922
16 Metallurgists/material scientists	29.6pc	2,498	6,640
17 Other engineers	27.9pc	12,476	6,791
18 Doctors and specialists	19.8pc	32,942	42,312
19 Dental practitioners	19.6pc	6,384	9,628
20 Pharmacists	52.2pc	10,754	13,165
21 Occupational therapists	51.6pc	2,771	7,270
22 Optometrists	46.9pc	1,475	4,224
23 Physiotherapists	47.3pc	5,908	13,751
24 Speech pathologists	58.6pc	1,335	3,582
25 Chiropractors and osteopaths	19.9pc	1,392	1,938
26 Podiatrists	12.5pc	1,008	1,388
27 Radiographers	12.4pc	4,321	7,035
28 Veterinarians	59.4pc	3,022	6,226
29 Other health practitioners	46.7pc	3,934	9,600
30 School teachers	25.6pc	219,579	311,058
31 University/CAE teachers	29.8pc	22,746	38,414
32 TAFE teachers	25.5pc	20,576	39,951
33 Extra systemic teachers	20.6pc	29,476	52,026
34 Social workers	83.1pc	6,499	23,623
35 Lawyers	32.5pc	23,493	39,883
36 Other social professionals	-18.7pc	17,141	17,081
37 Accountants	52.6pc	65,992	167,871
38 Computing professionals	59.4pc	40,712	134,945
39 Other business professionals	39.7pc	42,059	76,705
40 Journalists	25.8pc	10,087	20,174
41 Other artists	28.6pc	39,019	67,587
42 Economists	78.6pc	2,412	4,391
43 Psychologists	93.0pc	3,891	8,461
44 Mathematicians, statisticians and actuaries	66.3pc	• 2,040	4,244
45 Librarians	74.3pc	9,324	17,194
46 Other professionals	44.3pc	30,040	41,782
TOTAL	**33.0pc**	**780,174**	**1,382,454**
PARA-PROFESSIONALS			
47 Medical technicians	11.1pc	18,349	36,783
48 Engineering technicians	8.7pc	92,587	94,153
49 Aircraft pilots	7.4pc	5,085	5,786
50 Other transport technicians	-4.5pc	11,532	9,910
51 Registered nurses	20.5pc	139,823	192,808
52 Police	14.2pc	34,811	52,821
53 Welfare para-professionals	53.8pc	17,025	34,726
54 Child care co-ordinators	44.5pc	2,012	4,018
55 Other para-professionals	14.5pc	110,486	118,576
TOTAL	**16.1pc**	**431,709**	**549,582**
TRADES PEOPLE			
56 Toolmakers	18.3pc	10,069	13,700
57 Metal fitters	16.6pc	102,510	125,712
58 Sheetmetal trades	20.2pc	16,966	24,533
59 Boilermakers etc	15.4pc	57,686	78,015
60 Metal casting trades	8.3pc	2,141	1,781
61 Metal finishing trades	12.0pc	2,973	2,999
62 Aircraft maintenance engineers	14.0pc	8,339	10,235
63 Precision metal trades	22.8pc	9,151	11,438
64 Other metal trades	15.7pc	2,320	1,946
65 Electrical fitters	10.0pc	19,848	15,278
66 Automotive electricians	25.3pc	5,112	10,772
67 Refrigeration mechanics	30.7pc	8,364	18,754
68 Electrical mechanics	25.6pc	54,221	97,701
69 Other electrical trades	5.2pc	66,978	77,486
70 Carpenters and joiners	27.9pc	82,272	131,087
71 Bricklayers	40.2pc	23,500	43,759
72 Painters and decorators	26.2pc	38,230	64,762
73 Plasterers	36.6pc	14,274	28,564
74 Plumbers	32.1pc	43,891	69,158
75 Roof slaters and tilers	36.9pc	4,561	6,008
76 Floor and wall tilers	41.2pc	5,711	15,224
77 Printing trades	15.0pc	36,694	54,781
78 Vehicle mechanics	24.4pc	85,133	132,367
79 Panel beaters	26.7pc	17,635	29,448
80 Vehicle painters	19.2pc	8,585	12,375
81 Vehicle body builders	20.3pc	4,308	3,246
82 Vehicle trimmers	18.1pc	2,088	3,454
83 Meat trades	12.3pc	27,873	35,841
84 Bakers/pastrycooks	5.3pc	13,874	24,819
85 Cooks	28.1pc	54,448	72,358
86 Other food trades	-1.0pc	1,626	2,064
87 Horticulturist	11.1pc	42,330	59,827
88 Wood machinists	28.5pc	5,571	9,906
89 Cabinetmakers	27.5pc	16,981	23,001
90 Other wood trades	21.2pc	3,900	7,007
91 Upholsterers	20.5pc	5,070	8,155
92 Glass trades	24.9pc	5,108	11,420
93 Hairdressers	47.9pc	38,018	65,204
94 Other tradespeople	9.5pc	72.800	88,821
TOTAL	**21.2pc**	**1,020,756**	**1,482,795**
CLERKS			
95 Stenographers/typists	17.8pc	258,853	334,476
96 Data processing clerks	15.4pc	74,873	112,346
97 Numerical clerks	16.4pc	272,757	518,682
98 Filing clerks	14.6pc	46,472	69,736
99 Dispatch clerks	11.8pc	83,724	83,164
100 Receptionists	8.0pc	142,001	186,434
101 Other clerks	16.4pc	265,655	221,177
TOTAL	**15.2pc**	**1,144,335**	**1,526,015**
SALES WORKERS			
102 Securities and finance dealers	18.4pc	10,814	34,350
103 Other insurance sales people	10.3pc	47,802	69,328
104 Sales representatives	19.5pc	79,155	144,819
105 Sales assistants	28.0pc	339,896	640,673
106 Tellers	18.9pc	114,086	155,150
107 Other salespersons	28.7pc	135,997	210,993
108 Child care, refuge and related workers	24.6pc	28,855	80,199
109 Enrolled nurses	21.0pc	35,763	57,591
110 Dental nurses	16.1pc	8,961	15,723
111 Other personal service workers	18.4pc	26,731	42,988
TOTAL	**24.0pc**	**828,061**	**1,451,816**
MACHINE OPERATORS			
112 Road and rail drivers	11.5pc	208,762	284,164
113 Mobile plant operators	15.7pc	95,526	115,392
114 Stationary plant operators	-2.9pc	57,527	58,741
115 Machine operators	2.1pc	190,722	161,990
TOTAL	**7.5pc**	**552,537**	**620,287**
LABOURERS			
116 Trades assistants	1.7pc	236,263	285,125
117 Agricultural labourers	-16.8pc	79,332	104,561
118 Cleaners	6.7pc	164,236	217,001
119 Construction/mining labourers	21.6pc	97,464	170,635
120 Other labourers	15.2pc	385,726	488,159
TOTAL	**8.4pc**	**963,020**	**1,265,482**
GRAND TOTAL	**15.9pc**	**6,503,290**	**9,253,200**

● *NOTE: The projected employment figures for 2001 are based on an August 1990 labour force survey, resulting in some apparent anomalies in relatively small occupations where the base figures tend to bounce around a lot*

(Source: *Sun-Herald* 22 Sept. 1991, p. 12)

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ACTIVITY 20

How does the workplace reform agenda address the likely scenario that over 40% of the workforce will need labour flexibility skills rather than rigid competency levels?

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About the author

Leonie Jennings is a Senior Lecturer in the Faculty of Education, Work and Training at the University of New England, Northern Rivers at Lismore. She teaches qualitative and critical research methodologies, policy studies and workplace learning at the graduate level. At the undergraduate level she teaches social education. She is currently coordinating the UNENR academic team that provides off campus materials to Training and Development Masters students after a successful initial coordination at the Graduate Diploma level. She has worked as a teacher in both schools and TAFE and across a number of states. Her current research interests are in workplace education and how people change their thinking through new theoretical constructs.

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